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SENATE

THURSDAY, MAY 29, 1958

(Legislative day of Wednesday, May 28, 1958)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The Chaplain, Rev. Frederick Brown Harris, D. D., offered the following prayer:

Our Father God, as on the morrow the Nation pauses to honor its valiant defenders, we are grateful for the cleansing ministry of memory and for the rich heritage of noble deeds which remembered yesterdays bequeath to us. Conscious that we are eating of vineyards that we did not plant and drinking at cisterns we did not dig, we would enter reverently into the spirit of this sacred day of remembrance, bearing in our hands and in our hearts the evergreens of gratitude and the forget-me-nots of love. We would raise our jubilate that visions and ideas and ideals have no sepulchers and march on to their coronation, even when bugles are sounded as the starry banner enfolds the dead.

With the confident faith that the way of the Republic is down no fatal slope, but up to freer sun and air, we pray for a just and righteous peace in our time—

The peace that comes of purity,
And strength to simple justice due;
So runs our loyal dream of Thee;
God of our fathers, make it true.

Amen.

THE JOURNAL

On request of Mr. MANSFIELD, and by unanimous consent, the reading of the Journal of the proceedings of Wednesday, May 28, 1958, was dispensed with.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States submitting nominations were communicated to the Senate by Mr. Miller, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The VICE PRESIDENT laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(For nominations this day received, see the end of Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Maurer, one of its reading clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union;

H. R. 12521. An act to authorize the Clerk of the House of Representatives to withhold certain amounts due employees of the House of Representatives; and

H. R. 12602. An act to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes.

HOUSE BILLS REFERRED OR PLACED ON CALENDAR

The following bills were each read twice by their titles and referred or placed on the calendar, as indicated:

H. R. 7999. An act to provide for the admission of the State of Alaska into the Union; placed on the calendar.

H. R. 12521. An act to authorize the Clerk of the House of Representatives to withhold certain amounts due employees of the House of Representatives; to the Committee on Rules and Administration.

TRANSACTION OF ROUTINE BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that there may be the usual morning hour, for the introduction of bills and the transaction of other routine business, and that statements made in connection therewith be limited to 3 minutes.

The VICE PRESIDENT. Without objection, it is so ordered.

LEGISLATIVE PROGRAM

Mr. MANSFIELD. Mr. President, for the consideration of the Senate, and after clearing these measures with the minority leader, I desire to state that it is very possible that certain small bills—namely, Calendar No. 1622, Senate bill 2447, regarding studies of the effects of insecticides, and so forth; Calendar No. 1395, Senate bill 3295, to increase the authorization for the fisheries loan fund; Calendar No. 1654, House bill 8439, to cancel certain bonds posted pursuant to the Immigration Act of 1924, as amended; and Calendar No. 1668, Senate bill 2119, to expedite the utilization of television facilities in public schools and colleges, and in adult training pro-

grams—will be considered later this afternoon. It is the understanding of the majority leadership that they are non-controversial, and either have been cleared or will be cleared with the other side.

Mr. President—

The VICE PRESIDENT. The Senator from Montana.

FARM ACREAGE ALLOTMENT

Mr. MANSFIELD. Mr. President, yesterday the Senate passed Senate bill 3890, to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes. It was understood that if the corresponding House bill were passed, it would be called up for consideration by the Senate.

I now move that the Senate proceed to the consideration of House bill 12602, the corresponding House bill, in view of the fact that Senate bill 3890 is identical with House bill 12602, and in view of the further fact that Senate bill 3890 has not yet been messaged to the House of Representatives.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. CURTIS. Is my understanding correct that these bills are identical and that what is involved is merely a matter of substituting one for the other to avoid the necessity of a conference?

Mr. MANSFIELD. The Senator is correct. There is no difference between the two bills. The Senate bill has not been messaged to the House. The House bill has been passed and is before the Senate for consideration.

Mr. CURTIS. And the Senate bill was passed yesterday by unanimous vote of the Senate, and without objection?

Mr. MANSFIELD. Yes, it was passed unanimously.

The VICE PRESIDENT laid before the Senate the bill (H. R. 12602) to amend the Agricultural Adjustment Act of 1938, as amended, to permit the transfer of 1958 farm acreage allotments for cotton in the case of natural disasters, and for other purposes, which was read twice by its title.

The VICE PRESIDENT. The question is on agreeing to the motion by the Senator from Montana to proceed to the consideration of House bill 12602.

The motion was agreed to; and the Senate proceeded to consider the bill.

The VICE PRESIDENT. The question is on the third reading and passage of the bill.

The bill (H. R. 12602) was ordered to a third reading, read the third time, and passed.

Mr. MANSFIELD. Mr. President, I now ask unanimous consent that the vote by which Senate bill 3890 was passed be reconsidered, and that the bill be indefinitely postponed.

The VICE PRESIDENT. Without objection, the vote by which Senate bill 3890 was passed is reconsidered, and the Senate bill is indefinitely postponed.

EXECUTIVE COMMUNICATIONS, ETC.

The VICE PRESIDENT laid before the Senate the following letters, which were referred as indicated:

REPORTS PRIOR TO RESTORATION OF BALANCES

A letter from the Acting Secretary of Agriculture, transmitting, pursuant to law, reports prior to restoration of balances under the appropriation and fund accounts "Salaries and Expenses, Commodity Exchange Authority, 1957," "Salaries and Expenses, Office of the Secretary of Agriculture, 1957," and "Consolidated Working Fund, Agricultural Marketing Service, 1957" (with accompanying reports); to the Committee on Government Operations.

REPORT ON REVIEW OF MORTGAGE SERVICING OPERATIONS, FEDERAL NATIONAL MORTGAGE ASSOCIATION

A letter from the Comptroller General of the United States, transmitting, pursuant to law, a report on review of mortgage servicing operations, Federal National Mortgage Association, Housing and Home Finance Agency, dated October 1957 (with accompanying report); to the Committee on Government Operations.

CONTINUATION OF ACCOUNTS WHEN VACANCY OCCURS IN OFFICE OF DISBURSING OFFICER OF GOVERNMENT PRINTING OFFICE

A letter from the Public Printer, United States Government Printing Office, Washington, D. C., transmitting a draft of proposed legislation to provide for the receipt and disbursement of funds and for continuation of accounts when there is a vacancy in the office of the disbursing officer for the Government Printing Office, and for other purposes (with an accompanying paper); to the Committee on Government Operations.

CLAIM OF SEMINOLE INDIANS v. THE UNITED STATES

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D. C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claim of *Lincoln Burden, et al., for Themselves and as Members and Representatives of the Loyal Seminole Group of American Indians, Petitioners, v. the United States of America, Defendant*, Docket No. 121 (with accompanying papers); to the Committee on Interior and Insular Affairs.

CLAIMS OF UNITED NATION OF INDIANS AND OTTAWA TRIBE OF INDIANS v. THE UNITED STATES

A letter from the Chief Commissioner, Indian Claims Commission, Washington, D. C., reporting, pursuant to law, that proceedings have been finally concluded with respect to the claims of *James Strong, et al., as the representatives and on behalf of all members by blood of the Chippewa Tribe of Indians, including all descendants of Chippewa members of the United Nation of Indians, plaintiffs v. the United States of America, defendant*, docket No. 13-J, and *Robert Dominic, et al., as the representatives and on behalf of all members by blood of the Ottawa Tribe of Indians, plaintiffs v. the*

United States of America, defendant, docket No. 40-H (with accompanying papers); to the Committee on Interior and Insular Affairs.

PETITIONS AND MEMORIALS

Petitions, etc., were laid before the Senate, or presented, and referred as indicated:

By the VICE PRESIDENT:

A concurrent resolution of the Legislature of the State of Mississippi; to the Committee on Finance:

"House Concurrent Resolution 144

"Concurrent resolution memorializing the Congress of the United States to enact legislation providing for the repeal of the Federal excise tax upon the transportation of passengers and freight

"Whereas the Federal excise tax upon the transportation of passengers and freight was adopted in 1942 as a wartime tax to discourage the movement of civilian passengers and freight during World War II; and

"Whereas today, 12 years after the cessation of hostilities, there continues a 10-percent levy on the transportation of passengers and a 3-percent levy on the transportation of property, which taxes while collected by the common carriers of transportation by rail, by highway, by water, and in the air, are imposed upon and collected from the users of such transportation; and

"Whereas millions of dollars in revenues are paid to the State of Mississippi by those common carriers; and

"Whereas the tax upon the transportation of freight by reason of the transportation of raw materials to the point of manufacture and from the point of manufacture to processing and ultimate distribution to the consumer, frequently has a cumulative effect resulting in a heavy and burdensome tax upon the finished product and the consumer thereof; and

"Whereas such excise taxes on transportation by reason of the distance from the State of Mississippi and the markets for Mississippi products, agriculture, horticultural, and manufactured, impose a heavy and undue burden upon Mississippi shippers and also tend to burden tourist travel to and from the State of Mississippi; and

"Whereas the continuance of Federal excise taxes upon common carrier transportation of persons and property is no longer necessary: Now, therefore, be it

Resolved by the House of Representatives of the State of Mississippi (the Senate concurring therein), That we respectfully urge and request the Congress of the United States to enact legislation which will provide for the repeal of the Federal excise taxes upon the transportation of persons and property; be it further

Resolved, That the Secretary of State be directed to transmit a copy of this resolution to the President of the United States, the Vice President of the United States, the Speaker of the House of Representatives of the Congress of the United States, and each member of the Mississippi delegation in the United States House of Representatives and the United States Senate and to the respective houses of the legislatures of the several States of the United States."

Two resolutions adopted at the 50th annual meeting of the Governors' Conference, at Bal Harbour, Fla., relating to the National Guard Bureau, and the strength of the National Guard; to the Committee on Armed Services.

A resolution adopted at the annual meeting of the stockholders of the United Park City Mines Co., at Salt Lake City, Utah, relating to relief for the domestic lead-zinc mining industry; to the Committee on Finance.

A telegram in the nature of a petition signed by George Benson, of Chicago, Ill., praying for the enactment of legislation to provide relief for class I railroads; to the Committee on Interstate and Foreign Commerce.

A telegram in the nature of a petition from the employees of Hyde Park Postal Station, Chicago, Ill., expressing their thanks for the passage of the postal pay raise bill; ordered to lie on the table.

RESOLUTION OF MALMO FARMERS UNION LOCAL, AITKIN COUNTY, MINN.

Mr. HUMPHREY. Mr. President, on May 16, 1958, the Malmo Farmers Union Local of Aitkin County, Minn., adopted a resolution urging that all wheat producers vote in favor of price supports and marketing quotas on the 1959 crop, and that additional effort be made to seek an improved farm program.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on Agriculture and Forestry, and ordered to be printed in the RECORD, as follows:

Whereas wheat is produced by some farmers in the county; and

Whereas the price of wheat in 1959 will be directly affected by the results of the June 20 wheat election; and

Whereas a vote in favor of wheat supports and marketing quotas for 1959 will make a difference of about 80 cents a bushel in the price of wheat for the farmer; and

Whereas a lowering of farm prices on wheat or other farm commodities can only result in loss of purchasing power, a slump in business and employment in our rural trade centers; and

Whereas a large volume of necessary farm purchases for repairs, replacements and improvements is being delayed by the lack of farm buying power; and

Whereas nothing would be solved by ending firm supports and marketing quotas on wheat, since surpluses cannot be cured by expanding production, and farm income cannot be raised by lowering prices: Now, therefore, be it

Resolved, That we, the members of the Malmo Farmers Union Local of Aitkin County, State of Minnesota, urge all wheat producers to take an interest in the election to be held on June 20 and that they vote in favor of price supports and marketing quotas on the 1959 crop; and be it further

Resolved, That we urge farmers, businessmen, workers, and all other persons interested in the prosperity of this community, unite in seeking an improved farm program, seeking to achieve parity prices for wheat and other farm commodities; and be it finally

Resolved, That copies of this resolution be given to newspapers in this area, and be sent to members of the House and Senate in Congress from Minnesota and to other interested officials.

RESOLUTION OF BOARD OF GOVERNORS OF MINNESOTA STATE BAR ASSOCIATION

Mr. HUMPHREY. Mr. President, I received a resolution adopted by the board of governors of the Minnesota State Bar Association concerning a vacancy on the Court of Customs and Patent Appeals.

I ask unanimous consent that the resolution be printed in the RECORD, and appropriately referred.

There being no objection, the resolution was referred to the Committee on the Judiciary, and ordered to be printed in the RECORD, as follows:

Whereas a vacancy exists on the Court of Customs and Patent Appeals; and

Whereas a major portion of the workload of this court consists of appeals from the Patent Office in patent and trademark cases, which are heard on the record from the Patent Office without the benefit of expert or other testimony in open court even though highly technical or scientific points are often in issue: Now, therefore, be it

Resolved, That the board of governors of the Minnesota State Bar Association recommends that the vacancy on the Court of Customs and Patent Appeals be filled by the appointment of a lawyer who is experienced and trained in patent and trademark law, and that copies of this resolution be sent to authorities of the Federal Government who are interested in and responsible for appointments to the Court of Customs and Patent Appeals.

RESOLUTION OF CHAMBER OF COMMERCE, FRANKLIN, MINN.

Mr. HUMPHREY. Mr. President, I recently received a resolution that was adopted by the Chamber of Commerce of Franklin, Minn., concerning the use of industrial alcohol, blended with gasoline, as a fuel.

I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

CHAMBER OF COMMERCE,
Franklin, Minn., May 5, 1958.

At the regular monthly meeting of the Chamber of Commerce of the village of Franklin held in the community hall on this 5th day of May 1958, the following resolutions were adopted to be submitted to Senators HUMPHREY and THYE for consideration:

"1. *Be it resolved*, That corn and wheat grown on the farms of these United States contain the ingredient to make a high percentage of industrial alcohol. Through research and by actual use it has been proven that this industrial alcohol blended with gasoline makes an excellent fuel for all engines and motors using a gasoline as its power. In many respects it is superior to straight gasoline because when blended with gasoline it prevents any freezing in the gasoline line or carburetor, it prevents all hard carbon within the motor itself, giving the motor longer life, more consistent power, more mileage per gallon and less corrosion to the wearing parts within the motor.

"2. *Be it resolved*, That our Federal Government build 15 of these industrial alcohol plants throughout the corn and wheat growing areas of this Nation. The maximum capacity of each plant should be the consumption of 8,000 gallons of water per minute for the manufacture of the said industrial alcohol."

The following benefits will be accomplished by the operation of these 15 manufacturing plants:

(a) It will eliminate the entire surplus of corn and wheat grown each year in the United States.

(b) It will restore the small-farm family back to the farm which has made this country great.

(c) It will take our Federal Government out of the soil bank and other giveaway agencies.

(d) It will keep our farm boys and girls on the farms where they want to be; and by the same token, diminish our unemployment situation.

(e) It will centralize different types of farming to those areas best suited for such farming because; the wheat and corn growing areas will discontinue the production of other crops.

(f) It will centralize the beef and hog industry to the area of these plants where it belongs. This industry should be where the proper feeds are.

(g) In the plants where this industrial alcohol is manufactured a byproduct of mash or malt is left after the alcohol is extracted which makes an excellent food for the fattening of cattle and hogs.

(h) These plants will be self-sustaining and will eliminate the Federal Government from giving away about \$700 million a year in the soil-bank program that we now have.

(i) These plants located along the large rivers of the corn and wheat growing areas will require dams being built to insure ample water supply during dry periods. These dams can be so constructed that they will serve the purpose of flood control, which in turn, will save many lives and many millions of dollars each and every year.

(j) These plants will increase our reserve of crude oil 1 year in every 10 years of the future, which in turn, will give our Government and the individual scientist more time to perfect the atomic power before our oil reserves are completely exhausted.

(k) It will save the taxpayers of this Nation many hundred million dollars each year, and by the same token, eliminate the continual controversies of class legislation.

GEORGE W. COLWELL,
President.

E. W. HALL,
Secretary.

USE OF THE CORN TASSEL AS NATIONAL FLORAL EMBLEM—RESOLUTION

Mr. HUMPHREY. Mr. President, I have received a letter from Mrs. Kermit V. Haugan, president of the Minnesota Federation of Women's Clubs, adding the voice of that organization to the Minnesota Legislature and numerous other organizations and individuals who favor making the corn tassel our national floral emblem, and urging early and favorable consideration of Senate Joint Resolution 105, which would accomplish this.

The Minnesota Federation of Women's Clubs consists of 400 clubs in 78 counties in Minnesota with over 10,000 members. Mrs. Haugan states in her letter: "A nation that adopts a humble symbol such as corn will certainly win friends internationally over one that would adopt a symbol synonymous with luxury."

I ask unanimous consent, Mr. President, that the resolution adopted by the Minnesota Federation of Women's Clubs in convention assembled in Minneapolis on May 15, 1958, be printed in the RECORD at this point.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

THE CORN TASSEL AS THE NATIONAL FLORAL EMBLEM

Whereas most nations have a floral emblem to be recognized as their national symbol, while our country has made no such choice; and

Whereas corn is native to our United States, is characteristic of our land, is grown in every State, was cultivated originally by the Indians here, continued by the farmers to become the most widely cultivated food crop of the world; and

Whereas corn kept alive our Pilgrims through perilous winters and was sent by them to England to pay for their Mayflower crossing; and

Whereas the corn tassel has a glory all its own, blooming through many weeks, then to live again in seed which became the first export from our present United States: Therefore, we hereby

Resolve, That in gratitude we should honor corn, the genesis of our history, our agriculture, our economy, by adopting for our national flower, the corn tassel.

RESOLUTION ADOPTED BY THE FEDERATION OF AMERICAN CITIZENS OF GERMAN DESCENT

Mr. CASE of New Jersey. Mr. President, on May 24 I had the honor and the pleasure of speaking, along with the Governor of New Jersey, at the sixth German-American Day sponsored by the Federation of American Citizens of German Descent at Schuetzen Park, North Bergen, N. J.

It was an impressive meeting, appropriately commemorating the many great contributions to our national life made by Americans of German descent.

At the meeting the organization adopted a resolution proposing certain steps to strengthen and improve our educational system. In compliance with its request, I ask unanimous consent that the resolution be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION, SIXTH GERMAN-AMERICAN DAY, MAY 25, 1958

Whereas the Federation of American Citizens of German Descent in the United States of America, Inc., and cooperating societies throughout the United States are the representative and recognized voices of a large group of American citizens; and

Whereas Soviet Russia is producing scientists, chemists, engineers, etc., at so rapid a rate and in so great an excess in number of those graduated and graduating from our colleges and universities at the present time; and

Whereas such a policy on the part of Soviet Russia is an eminent danger to us and constitutes one of the greatest and ever-increasing threats to our national security: Be it

Resolved, That we urge our Government to take immediate steps to correct this alarming situation by revising and improving our educational system so as to make provision for students of a proven and high intelligence quotient to receive an education comparable to and surpassing any such standards of the Soviet Union; and such education to be at the complete expense of our Government, including tuition, living expenses, and personal allowances. Such a plan should be initiated by removing such children as herein referred to at the age of 16 from the regular high schools and placing them in special colleges so provided by our Government. Also included in this plan would be the testing of all school children at the third-grade level; and those with resultant high intelligence quotients and recognized superior intelligence would be removed from the ordinary grade school, and at this early age, be enrolled in a special school designed for those of such intelligence;

Resolved, That in the interest of the future of our country, and in the endurance of our people's ever-cherished principles, that the secretary of the Federation be instructed to transmit a copy of this resolution to the Honorable Dwight D. Eisenhower, President of the United States, and copies to Senator Clifford P. Case, and H. Alexander Smith of New Jersey.
(As drawn up by George L. Kundmuller, 26 Kennedy Terrace, Westwood, N. J.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. WATKINS, from the Committee on Interior and Insular Affairs, with an amendment:

S. 3569. A bill to authorize the Secretary of the Interior to exchange certain Federal lands for certain lands owned by the State of Utah (Rept. No. 1644).

By Mr. KUCHEL, from the Committee on Interior and Insular Affairs, without amendment:

H. R. 10349. An act to authorize the acquisition by exchange of certain properties within Death Valley National Monument, Calif., and for other purposes (Rept. No. 1645).

By Mr. HUMPHREY, from the Committee on Agriculture and Forestry, with an amendment:

S. 1436. A bill to amend section 8 (b) of the Soil Conservation and Domestic Allotment Act, as amended, to provide for administration of farm programs by democratically elected farmer committeemen (Rept. No. 1646).

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. IVES:

S. 3921. A bill for the relief of Peter Tillner; to the Committee on the Judiciary.

By Mr. THURMOND:

S. 3922. A bill to amend the Labor Management Relations Act, 1947, to make unlawful the collection of fees or charges by labor unions for, or in connection with, the unloading of the cargo of trucks; to the Committee on Labor and Public Welfare.

By Mr. MURRAY (by request):

S. 3923. A bill to add certain public lands in California to the Pala Indian Reservation, the Pauma Indian Reservation, and the Cleveland National Forest, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. HOLLAND (for himself and Mr. SMATHERS):

S. 3924. A bill for the relief of the Inter-County Telephone & Telegraph Co. of Fort Myers, Fla.; to the Committee on the Judiciary.

By Mr. NEUBERGER (for himself, Mr. DOUGLAS, Mr. KENNEDY, Mr. HUMPHREY, and Mr. AIKEN):

S. 3925. A bill to increase the amount authorized to be appropriated for each fiscal year for the programs of child welfare services provided for by title V of the Social Security Act; to the Committee on Finance.

(See the remarks of Mr. NEUBERGER when he introduced the above bill, which appear under a separate heading.)

By Mr. HOLLAND:

S. 3926. A bill to provide for the conveyance of an interest of the United States in and to fissionable materials in a tract of land in Leon County, Fla.; to the Committee on Government Operations.

By Mr. SYMINGTON:

S. 3927. A bill to provide for the advancement of Maj. Gen. Leif J. Sverdrup, United

States Army Reserve (retired) to the grade of lieutenant general on the retired list; to the Committee on Armed Services.

(See the remarks of Mr. SYMINGTON when he introduced the above bill, which appear under a separate heading.)

By Mr. SYMINGTON:

S. J. Res. 177. Joint resolution to authorize the placing of suitable memorials by the American Battle Monuments Commission marking and commemorating the Spanish-American War of 1898; to the Committee on Interior and Insular Affairs.

INCREASED FEDERAL SUPPORT FOR CHILD AND MATERNAL WELFARE

Mr. NEUBERGER. Mr. President, hardly more than a week ago I spoke on the urgent need for consideration of my bill, S. 3504, to raise the statutory limit on maternal and child health and crippled children services of the Children's Bureau to \$25 million for each fiscal year. At that time I told of a new program for open heart surgery that gives hope to children with crippled hearts which, at the present time, is languishing because of a lack of funds. Today I am calling for Senate action on another program, child welfare services. This is a program of grants-in-aid to State child welfare agencies which is less easily dramatized but is just as vital to the future welfare of our children, and of our country.

The same reasons, Mr. President, which I gave in a Senate speech of March 17, 1958 as evidence of the need for a statutory increase for maternal and child health and crippled children activities of the Children's Bureau also apply to their child welfare services. The increases in costs, in our child population, and in the need for trained personnel, affect the administration of a child adoption program just as they do a program for providing artificial arms and legs for children. It is the undivided opinion of the many authorities on the activities of the Children's Bureau with whom I have conferred that their three children's programs should move forward together. Welfare services to children are inextricably bound up with health services.

It is necessary, in order to assure equal opportunity for the social well-being of all children, that there be social services available in all States and counties. However, today we find that only 52 percent of the counties in the United States have available the services of a full time public service worker. In those counties fortunate enough to have these services the average ratio of child welfare workers to child population is 1 worker per 10,000 children. A natural result of this pitifully small number of trained personnel has been the development of wide gaps in our Nation's child welfare services.

Our courts are finding themselves without the services of welfare workers in divorce and other cases involving the custody and support of minor children. Often when dealing with situations involving the desertion and neglect of minors the Court must turn to lay people without proper training for advice. Another typical problem of the States is the strengthening and improvement of

adoption services. Babies are being sold in the black market for profit at the same time that State and county adoption agencies are being criticized for not meeting couples' requests for children to adopt. In order to wipe out the black market sale of children, help must be provided to the State agencies in planning for the welfare of children who presently are being sold to the highest bidder. If more Federal funds were authorized for these child-welfare programs, and for the many other child welfare activities in need of financial aid which time does not allow me to mention, not only could additional trained workers be supported, but also more State and local funds would be drawn out by the incentive of increased Federal support.

Mr. President, since the introduction of S. 3504 several members have indicated their willingness to assist me any way possible in my endeavor to increase the statutory limit for maternal and child health and crippled children services. Today, some of them are joining with me in the introduction of a bill to raise the statutory limit for child welfare services as an indication of not only their support of this particular activity, but also, for the other two programs of the Children's Bureau which are included in S. 3504. Therefore, I am especially proud to introduce a bill which would raise the statutory limit on child welfare services to \$25 million. I ask unanimous consent that the bill be printed in the RECORD as a part of my remarks.

The VICE PRESIDENT. The bill will be received and appropriately referred; and, without objection, the bill will be printed in the RECORD.

The bill (S. 3925) to increase the amount authorized to be appropriated for each fiscal year for the programs of child welfare services provided for by title V of the Social Security Act, introduced by Mr. NEUBERGER (for himself and other Senators), was received, read twice by its title, referred to the Committee on Finance, and ordered to be printed in the RECORD, as follows:

Be it enacted, etc., That the first sentence of subsection (a) of section 521 of the Social Security Act is amended by striking out "for each fiscal year, beginning with the fiscal year ending June 30, 1958, the sum of \$12 million," and inserting in lieu thereof "for each fiscal year beginning after June 30, 1958, the sum of \$25 million."

Sec. 2. The amendments made by this act shall be effective with respect to fiscal years beginning after June 30, 1958.

ADVANCEMENT ON RETIRED LIST OF MAJ. GEN. LEIF J. SVERDRUP TO GRADE OF LIEUTENANT GENERAL—BILL INTRODUCED

Mr. SYMINGTON. Mr. President, it is most unusual to find a man who has built simultaneously a record of the highest honors in civilian life and in the Military Establishment. Such a man is Maj. Gen. L. J. Sverdrup, United States Army Reserve, retired, of St. Louis, Mo.

On May 15, 1958, the Chief of Staff of the United States Army personally presented to General Sverdrup an oak leaf

cluster to the Distinguished Service Medal. General Sverdrup first received the Distinguished Service Medal for his work under General MacArthur in the southwest Pacific during World War II.

No armchair strategist, General Sverdrup also holds the Distinguished Service Cross for extraordinary heroism in action against the enemy in the Philippines early in 1945. This medal, awarded by direction of President Roosevelt, was pinned on by General MacArthur with the comment, "Here is the engineer-soldier at his best."

General Sverdrup holds virtually every medal, short of the Congressional Medal, which his country can bestow on a military man—the DSC, the DSM with cluster, the Silver Star, the Legion of Merit, and the Purple Heart.

Additionally, he holds the Croix de Guerre with palm, a French decoration from World War I; Commander of the British Empire, from World War II; the Distinguished Service Star of the Philippines; and the Commander with star of the Order of St. Olav, awarded by the King of Norway, his native land.

In civilian life, similar honors have been won by this extraordinary citizen of Missouri. The Boy Scouts of America have presented him with the Silver Beaver Award, the highest honor available to adult supporters of the Scout movement. The University of Missouri presented him with its award in engineering; the University of Minnesota chose him for its gold medal award for the alumnus of the year; and for the year 1956, the St. Louis Globe-Democrat chose him as its "man of the year" for his long and distinguished service to his country, his State, and his community.

Although he has devoted much of his time and energy to public affairs, both military and civilian, he has also for more than 30 years devoted himself to the farflung operations of his consulting engineering organization, on whose projects the sun literally never sets.

General Sverdrup, last January, retired from active participation in the United States Army Reserve, but despite this so-called retirement, he continues to serve as required on various military committees where his background and experience are sought.

An immigrant to this country as a young man just prior to World War I, General Sverdrup represents in its highest sense the American success story. Just as he regards himself fortunate to have adopted this country, this country and his community in turn are fortunate in the adoption.

Mr. President, I introduce, for appropriate reference, a bill to provide for the advancement of Maj. Gen. Leif J. Sverdrup, United States Army Reserve, retired, to the grade of lieutenant general on the retired list.

The VICE PRESIDENT. The bill will be received and appropriately referred.

The bill (S. 3927) to provide for the advancement of Maj. Gen. Leif J. Sverdrup, United States Army Reserve, retired, to the grade of lieutenant general on the retired list, introduced by Mr. SYMINGTON, was received, read twice by its title, and referred to the Committee on Armed Services.

AUTHORIZATION OF CERTAIN PUBLIC WORKS ON RIVERS AND HARBORS—AMENDMENT

Mr. MARTIN of Pennsylvania submitted an amendment, intended to be proposed by him, to the bill (S. 3910) authorizing the construction, repair, and preservation of certain public works on rivers and harbors for navigation, flood control, and for other purposes, which was referred to the Committee on Public Works, and ordered to be printed.

ADDRESSES, EDITORIALS, ARTICLES, ETC., PRINTED IN THE RECORD

On request, and by unanimous consent, addresses, editorials, articles, etc.,

were ordered to be printed in the RECORD, as follows:

By Mr. WILEY:

Address delivered by him before Wisconsin State Republican convention at Milwaukee, Wis., on March 24, 1958.

Article entitled "Soviet World Air Challenge Grows," published in the Milwaukee Journal of May 25, 1958.

By Mr. JACKSON:

Article by Senator NEUBERGER in tribute to ex-Senator Herbert H. Lehman, published in the Progressive magazine for June 1958.

COPPER PRODUCTION IN ARIZONA

Mr. GOLDWATER. Mr. President, on April 24, 25, and 26, I inserted in the RECORD four articles from the Christian Science Monitor, dealing with the phenomenal economic growth of my home State of Arizona. There was one dark spot on the horizon at that time. Unfortunately, that spot remains. I refer, Mr. President, to the unhappy state of our domestic mining industry generally, and to the copper industry specifically. Since I last spoke to my colleagues about this situation, the outlook has worsened, with many of the copper producers in Arizona and in the West, generally, laying off workers and curtailing production.

It seems to me, Mr. President, that now, as the Senate prepares to consider extending the Reciprocal Trade Agreements Act, as well as the Mutual Security Act, is a good time for the Congress to take a long look at what can happen and at what is happening to our own industries, as the result of cheap foreign labor which competes with America's well-paid workers. Although I have previously pointed out to my colleagues the disparity between wage rates in the United States and those in competing foreign nations, I ask unanimous consent to insert at this point in my remarks a tabulation which graphically illustrates the labor cost advantage that foreign copper producers enjoy.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

Wage data in mining industry in specified countries

Country	Date	Wages or earnings	Exchange rate	Equivalent in United States dollars per day
South America:				
Bolivia.....	1957.....	Bs221,000 per month. Average wage in nationalized mines (mainly tin). Fringe benefits equal about 30 percent of payroll.	Bs1,000=US\$118.....	\$1.04, without fringe benefits.
Chile.....	November 1955.....	Chil\$604 per day (8 hours). Average wage in copper mines. Fringe benefits, average paid for overtime, 7th day pay, bonuses, family allowances, Chil\$509 per day.	Chil\$1=US\$0.0016.....	\$1.78, fringe benefits of Chil\$509 included.
Peru.....	1957.....	S/30 per day. Average earnings, including fringe benefits for overtime, vacations, holidays, 7th day pay and bonus. Some large firms may in addition supply housing, but no estimate is available of the average additional fringe benefits for heat, light, hospitalization, and commissary products which, at wholesale, equal about 30 percent of base earnings, or S/9 per day.	S/1=US\$0.0525.....	\$1.575, fringe benefits—i. e. overtime, vacations, holidays, 7th day pay and bonus, included.
Northern Rhodesia, native labor.....	1954.....	141s. 5d. per month. Average earnings for native underground workers in metal mining.	UK £1=US\$2.80.....	\$0.80, without fringe benefits.
North America:				
Mexico.....	1957.....	\$28.80 per day. Average wage in lead and zinc mines, including 7th day pay. Fringe benefits include paid vacations, medical care, pensions, life insurance, schools, workmen's compensation. Where housing is provided this may average 45 percent.	\$1=US\$0.08.....	\$2.304, fringe benefits, except 7th day pay, excluded.
Arizona.....	1957.....	\$2.42 per hour. Average hourly earnings for copper mining. Fringe benefits, which are in addition to average hourly earnings, are estimated at over 18 percent of payroll.	\$19.36, without fringe benefits.

NOTE.—The free rate of exchange was used in each case, in order to arrive at a dollar equivalent.

Source: Wage data in Bolivia, Chile, Peru, and Mexico from U. S. Department of Labor, Bureau of Labor Statistics. Wages in Northern Rhodesia from Year Book of Labor Statistics, 1956, published by the International Labor Office, Geneva. Wages in Arizona as reported by the Arizona Department of Mineral Resources.

Mr. GOLDWATER. Mr. President, is it surprising that the Arizona producers who pay \$19.36 a day to labor, exclusive of fringe benefits, are hard pressed to compete with, let us say, Peruvian producers who pay their workers \$1.60 a day, or with northern Rhodesian producers who pay 80 cents a day?

Mr. President, I know there is not one Senator who does not recognize the present copper situation as a distinct danger to one of our basic industries. The question, then, is what to do about it.

There are several alternatives which can be considered by the Congress. I know that none of us would countenance lowering American wages to meet competition. We can, then, do one of three things: We can set import quotas or we can enact protective tariffs or we can subsidize our domestic producers. Of course, we could just sit by and watch our domestic producers flounder and disappear, while we spent hours on the floor of the Senate debating about where we could send another shipload of American economic aid or where we could enter into another trade agreement to gain the confidence of another doubtful ally. We could choose the last-mentioned course, Mr. President, but I, for one, do not care to work myself into a frenzy over foreign economies while our own is suffering from competition over which it has no control.

Mr. President, on January 16, 1958, I, along with other Senators, including my colleague the senior Senator from Arizona [Mr. HAYDEN], introduced a bill, S. 2998, which would (a) reestablish the excise tax on imports of copper at the original rate of 4 cents a pound; (b) increase the peril-point price, below which the tax becomes effective, from 24 cents to 30 cents a pound; and (c) provide that the tax will be suspended automatically whenever the market price is at or above the peril point. Except for the last feature, the proposed legislation involves no principle or policy that Congress has not already adopted with respect to copper. Congress is asked merely to reexamine the specific figures, in the light of radically changed economic conditions, and to make adjustments which the evidence shows to be urgently needed.

Mr. President, the peril-point approach is, to me, the most satisfactory solution of this problem. It will not be necessary to protect our domestic industry for all time; but until the standard of living in foreign countries is brought more nearly into balance with our own, our local producers will need the help of Congress. One of the ironic things about the present situation is the fact that many of our foreign competitors were put into business with American economic aid and technical assistance. A further complicating fact is that our own domestic production was vastly increased because of Government interest in expanding our domestic copper capability.

I was interested to note in the Metal Reporter for May 17, 1958, an article which outlines what Australia is doing to protect her copper producers from foreign cheap-labor competition. I ask unanimous consent to have the article, entitled "Duty, Bounty Plan Set for Aus-

tralian Copper Price," printed at this point in the RECORD in connection with my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

DUTY, BOUNTY PLAN SET FOR AUSTRALIAN COPPER PRICE

John McEwen, Australian Trade Minister, announced that the Commonwealth Government, after an inquiry by the Tariff Board, has decided to introduce a combined duty and bounty scheme to stabilize the Australian price of copper to producers at 37.186 cents per pound.

Mr. McEwen said copper block, ingots, and pigs would be admitted free of duty under all columns of the tariff when the determined world price of copper was 30.9 cents per pound. When the determined price was less than 30.9 cents per pound the duty would increase by \$2.25% a ton for each Australian pound by which the price fell below 30.9 cents per pound.

With the addition of freight landing charges this should result in a landed duty-paid cost of not less than 32.115 cents per pound. This protection would be supplemented by a bounty of 5.07 cents per pound on copper sold on the local market.

Mr. McEwen said the current world price of about 24.79 cents per pound posed serious problems for Australian copper-using industries, which faced competition from imported copper products.

The Tariff Board had recommended that the copper industry should be assisted by a duty only, but the Government had decided that assistance should be partly by duty, partly by bounty.

The largest producer, Mount Isa Mines, did not seek assistance from the Board, but had provided confidential information on its operations.

The Tariff Board said in its report that two major underground mines, Mount Isa and Peko, could continue to operate profitably on the basis of disposal of 40 percent of their production on the home market at close to 37.186 cents per pound, and the sale of the remainder abroad at around 27.045 cents per pound.

Mr. GOLDWATER. Mr. President, I think Australia's action should be closely studied by this body. Although Australia produces only about 56,000 tons of copper a year, she is taking every precaution to see that her domestic copper industry does not become a sacrifice on the altar of international agreements.

Mr. President, companion legislation to Senate bill 2998 has been introduced in the House of Representatives, and is now pending before the Ways and Means Committee. I urge that committee and the Congress as a whole to take prompt action on a matter which is vital to our Western economy.

NOTES ON POLITICAL LEADERSHIP: ARTICLE BY SENATOR CLARK

Mr. PROXMIER. Mr. President, the Philadelphia story is one of the rare, happy developments in American politics of a fresh, clean, vigorous group of dedicated men who assume responsibility for government in their local community. This happened to Philadelphia in 1949 and 1951, when JOSEPH S. CLARK became city comptroller, and then mayor.

In the current issue of Harper's magazine Senator CLARK tells a remarkable

revealing story of "Operation Clean Government." Through his experience in bringing light and truth to the City of Brotherly Love as mayor of Philadelphia, Senator CLARK established himself as one of the most gifted and competent administrators in America. His record as an immensely capable United States Senator demonstrates that he is eminently qualified for any office within the gift of the American people.

Mr. President, I ask unanimous consent that Notes on Political Leadership, the lead article in Harper's magazine, written by Senator CLARK, be printed in the RECORD at this point, following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NOTES ON POLITICAL LEADERSHIP

(By Hon. JOSEPH S. CLARK, U. S. Senator from Pennsylvania)

Late one afternoon in the fall of 1943, I was sunning myself on the terrace of an Air Force billet at 26 Ferozshah Road, New Delhi, India, looking through a copy of Life magazine. There was a picture of Bill Bullitt in a chesterfield and homburg inspecting slum property in Philadelphia. Bill was running for mayor on the Democratic ticket against Barney Samuel, the incumbent Republican.

I thought to myself: "That's what I'm going to do when the war is over and I get out of this uniform." World War II was really just beginning then so far as we in the China-Burma-India theater—known in the Pentagon as those "Confused Bums in India"—were concerned. Two years went by before I turned in my Air Force suit.

While I was overseas, oil was discovered at my mother's family home at Avery Island, La. When I came back to Philadelphia I could afford the luxury of seriously going into politics. I had only dabbled in it during the 'thirties, for I had been pretty well occupied with making a living out of the law.

The Democratic Party in Philadelphia was looking for new blood in 1946. Despite the long record of Republican misrule, the Democrats had not elected a mayor since 1884 and the Republican political machine was solidly entrenched. The depression had created a Democratic Party where none had existed before; but although it came close to winning the mayor's office in 1935 and 1939, Bill Bullitt took a bad beating in 1943. When 1947 rolled around, Democratic chances were dim indeed.

Luckily, I found myself in excellent company when I first got involved in local politics. Dick Dilworth and Jim Finnegan had also come back from the war interested in working with the Democratic Party. By the spring of 1947 the three of us—with the help of Mike Bradley, Democratic city committee chairman—had moved into positions of local party influence. Dilworth and I helped organize an effective independent group largely through Americans for Democratic Action. Finnegan was Bradley's right-hand man at the city committee. Without Jim we would never have succeeded. His untimely death this spring deprived our party of one of its ablest and most respected leaders on the national as well as the local scene. He made the art of practical politics an honorable profession.

Dilworth made a valiant but unsuccessful campaign for the mayor's office in 1947. Next year a series of Republican scandals hit the headlines. In 1949, with Finnegan as city chairman (Bradley having become collector of the port), Dilworth was elected city treasurer and I city controller. Two

years later I was mayor, Dilworth was district attorney, and Finnegan was president of City Council. A new city charter was approved and the Democrats controlled the Council fourteen to three. The ball had certainly been thrown to me. The problem was what to do with it.

When I first took office as city controller in 1950 I came into contact with Frank Short, who had been budget clerk under the Republican regime. Frank was an old newspaper man turned municipal financier by accident. In those primitive days he—together with Ed Harris, Republican leader of the 46th ward, and Bill Shellenberger, formerly an employee of the Pennsylvania Economy League—had the job of throwing together an annual city budget which would meet the requirements of the Republican city committee as expressed through city council and the mayor.

Frank and I became warm friends. His advice was disinterested and intelligent. During my 2 years as controller I rarely made a move affecting the budget without first talking over the details with him. When I became mayor, Frank moved over to the city representative's office, where his newspaper training and wide knowledge of city hall made him invaluable as a consultant on public relations in the widest sense of that much abused term.

One day in 1951 we were talking together about the scandals in city government. Frank commented: "They never would have happened if Judge Lamberton had lived."

"Why not?" I asked.

"Because he was a completely honest man," Frank replied, "and his own high standards of integrity spread from the mayor's office all over the city."

Lamberton, an incorruptible judge, had been drafted to run as mayor by the Republican machine in 1939 to save it from the fate worse than death—the election of a Democrat. The maneuver was successful, but after slightly more than a year in office Mayor Lamberton died; city hall slumped back to its normal pattern of unimaginative inefficiency and small-time graft.

The chance conversation with Frank Short led me to some thinking about the function of leadership in an urban democracy. Surely if Lamberton's integrity had the result attributed to it, there must be other ways in which the impact of a mayor's character and political philosophy could make itself felt—not only in local government but throughout the community generally.

An old and favorite story of politicians involves the late Senator Clyde Swanson of Virginia, Secretary of the Navy in the first Cabinet of President Franklin D. Roosevelt. Swanson, beloved by all who knew him, was once asked to what principles he attributed his political success.

"To three rules of conduct from which I have never deviated," he replied. "First: Be bold as a lion on a rising tide. Second: When the water reaches the upper deck, follow the rats. Third, and most important of all: When in doubt do right."

Perhaps the second maxim is as essential for political survival as the first and third are for political success. It was my good fortune as mayor never to have the water reach the upper deck, although there were a couple of times when it came pretty close to the gunwale. But often it seemed wise to be bold and, at least on occasion, doubt was resolved on the side of virtue.

The mayor of a large city has heavy executive responsibilities—especially in a city such as Philadelphia, which operates under a charter giving strong powers to the mayor and relatively little authority to the city council. Within his limited field, such a mayor carries responsibilities which differ only in degree—not in kind—from those of the President. Philadelphia, with a population of more than 2 million, has more in-

habitants than 20 of our 48 States. The mayor's problems, therefore, are more difficult than those of many a governor. It has been said that the second most demanding executive job in America is held by the mayor of New York; the mayors of our other great cities can feel, with good reason, that they follow close behind—and that the qualities of political leadership demanded of a President, a Governor, and a big city mayor are not very different.

WHAT DOES A MAYOR REALLY DO?

It is hard for a mayor to plan his day, for he has no fixed routine—or at least I was never able to arrive at one. Speaking dates, to be sure, are lined up in advance. Ordinances passed by city council must be signed or vetoed within 10 days of passage; and council passes a batch every week. Cabinet meetings took 2 hours at lunch on Wednesdays. A large group of commissioners, deputies, and often their wives, met with me in the evening four times a year. The budget message has to go down to council on a day in September. Most of that month and all of October each year found a high priority given to political campaigning, in support of candidates for everything from clerk of the quarter sessions court to President of the United States. And every February and March there were endless meetings in the traditional smoke-filled rooms to work out a "slate" of candidates which would prevent that anathema of all professional politicians: An open primary fight.

But in between, I was never certain of what was coming next. Arriving at the office at 8:30 a. m., I would unload my briefcase, turn over to my staff for processing the papers acted on at home the evening before, and send back to the files the reports, I had read. Before leaving the office around 6, the mail would be signed and the briefcase repacked. In between, each day was different and therefore fascinating.

Much of my time was spent listening to other people's plans and problems. On a typical day, for example, the city's managing director and fire commissioner were having a rough time with the head of the firemen's union (they kept on having it for 4 long years). The director of finance was concerned lest our campaign to have new loans authorized at the spring primary would fall on its face (it did). The city representative wanted help in determining whether to serve sherry, bourbon, both, or neither, to Queen Juliana and Prince Bernhard of the Netherlands at 11 a. m. at the reception at the art museum (we settled for sherry in the Dutch Room). The city solicitor was concerned because the Board of City Trusts refused to admit Negro orphans to Girard College (as this is written, the question is still unsettled). A delegation was waiting outside to protest open-dump burning at 83d and Buist Avenue (we finally closed the dump). The Greater Philadelphia Movement wanted the city to put millions of dollars into a new food distribution center in South Philadelphia but Albert M. Greenfield said it was a waste of the taxpayers' money (the city is now financing the project).

Throughout this crowded routine, a man new to the mayor's office is compelled to hammer out for himself the principles that should guide him in exercising power over the life of a city. One of the first things that struck me was how true—and how terribly difficult to apply in day-to-day reality—were the copybook maxims which have been the old standbys of political commentators and teachers since Thucydides.

WHERE THE BUCK STOPS

It should go without saying, for instance, that a mayor must be honest—not only money-honest but intellectually honest. Honest not only with other people but, even more important, honest with himself. "To

thine own self be true" is as good advice to a mayor as it was to Laertes. And this is especially difficult, for wishful thinking can so easily convert "I want it" into "This is right."

But simple honesty is not enough—not nearly enough. It is here that Lincoln Steffens—who spent years studying corruption in American cities—vastly underestimated the complexity of American municipal government. Steffens thought that if the business interests would keep their dirty hands out of politics, honest citizens would elect honest officials who would then collect the garbage and reform the police department and everything would be fine. Maybe that was a sound analysis of the problem in the old days, but things are far different now. Every mayor soon learns that there are both honest and earnest conflicts of interest which involve every quarter of the community; he must strike a balance among them.

An equally obvious requirement is that the mayor should be a good administrator. Harry S. Truman, as President, had the cardinal rule of sound administration posted on his White House desk: "The buck stops here." No matter how complex the issue and however meritorious opposing plans may seem, the mayor, like the President, must make the decisions, and he must make them promptly and firmly. He may get some help from the briefing of competent advisers, from prayerful—and preferably secluded—thought and analysis, and from a few well-chosen personal contacts on the grass roots level. But in the end the Chief Executive must act on his own responsibility and his alone.

This is a rule much easier stated than followed, and so are the other ancient precepts of sound administration. Every political leader will agree with them wholeheartedly, while regretfully remembering the many times during his own career when he violated them. Here are a few of the classics:

Pick able subordinates, delegate responsibility, follow up to see that orders have been carried out, support your administrators unless they are clearly wrong; then either fire them or take the rap yourself. (If I had it to do over again, I would not appoint a half dozen men whom I chose at that time.)

Remember that with each individual you have a cup of good will. You can gulp it down or sip it slowly. And if you sip—it tends miraculously to renew itself. (I drank too quickly the cup of good will of at least three Philadelphians, whose resulting opposition delayed or defeated many a pet project.)

Order your life so you can work hard and still get adequate rest, some time for your family and friends, and a chance not only to keep up with your profession but with the major currents of creative thought in the world about you. (At least twice a year I had to make bonfires of the papers which had languished unread in my briefcase for months.)

THE ART OF MOVING FAST

As I made my sometimes fumbling way through the administrative labyrinth of the mayoralty I found, curiously enough, that my 4 years in the Air Force were my salvation. Lawyers, as a rule, get no experience in administration. I did not even know what the word meant when I got myself a captain's commission in August 1941. Imagine my surprise on finding myself a year later director of organizational planning for the Air Staff. I knew nothing about organization and less about planning, and I had to learn fast.

A few months later I took a 9-week cram course in personnel administration at the

Command and General Staff School in Leavenworth, Kans. Next thing I knew I was in New Delhi drawing organization charts in five colors to show the relationship between the British Army, Navy, and Air Force; the Chinese Army and Air Force; the Indian Army and Air Force; the American Army engineers, Air Transport Command, 10th Air Force, Air Service Command, Headquarters AAF India-Burma Theater; Joe Stilwell, Claire Chennault, Lord Auchinleck, Chiang Kai-shek, Lord Louis Mountbatten (known as the Supremo, no kidding) Air Marshal Sir John Baldwin and his RAF colleagues, and—finally—my own boss, Maj. Gen. George E. Stratemeyer, in whose debt I shall always be for his warm friendship and support.

You can't be a part of an organization which grows a hundredfold—from 2,000 officers and 20,000 men—in 4 years, without learning something about administration in the process. Without the Air Force I would have been lost in the mayor's chair.

Beyond the timeless and universal rules of public ethics and administration, the political leader must also try to master a more sophisticated set of tactics. The art of handling his friends, his enemies, and himself in a constantly changing local political situation can be very subtle indeed—and in learning it there seems to be no substitute for experience.

Suppose, for example, that you have just won a great political victory in a city like Philadelphia. Temporarily, at least, you are a local hero. You will accordingly have a honeymoon (unhappily without a bride) during which you can accomplish easily a good many things which will be difficult, if not impossible, later on.

It is important, therefore, to strike while the iron is hot—if I may mix a metaphor. Our reform administration came into office in January 1952, on a wave of good will and civic virtue which drowned effective opposition for well over a year. During that period, we were able to push a \$20-million tax increase through a reluctant city council. We were also able to establish both the foundations of a sound personnel system—based on merit instead of patronage—and to hire the best available people for executive jobs, despite the fact that some of them came from as far afield as Denver and Oakland, Calif. Moreover, the marriage was still a happy one when we beat back the first attack of the combined Republican and Democratic organizations to cripple the new city charter in the spring of 1953.

At every point in your administration you will be subjected to flattery—much of it, to be sure, obvious and nauseating, but a good deal of it subtle, insidious, and disarming. Remember, therefore, with Lord Acton that all power tends to corrupt and take frequent measurements of the size of your head.

There are, I found, three good antidotes for a swelled head:

1. Subordinates who aren't afraid of telling you the truth. While there were many in this category, I was blessed with two particularly able and candid administrators in Lennox Moak, director of finance during the first 2 years, and his successor, Vernon Northrop. The former, with the finesse of a battering ram, the latter with the skill of a trained diplomat, kept the mayor in his proper place.

2. Continued association with very old friends who knew you before you became Mr. Big Frog in a relatively small puddle. I lunched quite often with four—my college roommate, Morris Duane; my lifelong friends, Geoffrey Smith and Philip Wallis; and my former law partner, Carroll Wetzel. A frank, relaxed talk with men like these was bound to send one back to city hall with a better understanding of one's assets and liabilities.

3. A wife who tempers affection with understanding of human frailty. For this there is no substitute. I have one such.

You must constantly and carefully assess the powers of your office in relation to other power groups. You must know where you stand with city council, with the local judiciary, with the Governor and State legislature, with the administration in Washington and the Congress and the multiple Federal agencies to which you will inevitably look for help.

The Philadelphia charter gives the mayor great advantages in dealing with city council. His appointments do not need to be confirmed; he has comparative freedom to administer as he sees fit; not much substantial municipal legislation is called for. Only with respect to the budget can the mayor be checked. Luckily, as I've noted, we got over the tax increase hurdle during the initial postelection honeymoon. And so long as Jim Finnegan was president of the council all went well. By the time he left, early in 1955, a pattern of cooperation had developed which even the constant and bitter rows I had with the Democratic organization did not destroy.

In other governmental agencies—local, State, and Federal—we cultivated assiduously those people who could help us most, whether they were Democrats or Republicans.

FRIENDS AND ENEMIES

Another preoccupation that every prudent mayor should have constantly on his mind is his relations with the local press, radio, and TV stations. Here I found that hard work pays off handsomely.

When our reform administration took office, many reporters, commentators, and editors had a healthy skepticism about both our motives and our abilities. Some of them suspected that the mayor's hat was high and his shirt stuffed. We did our best to play everything on the top of the table—to be friendly, available, cooperative, and frank. Gradually the image of the typical Harvard man—whom you can always tell, though not much—began to dissolve. One incident that may have had something to do with this was the mayor's press party one hot August evening; our rendition of Sweet Adeline at about midnight was so outstanding that neighbors called the police. Whatever a politician's platform may be, the reporters' most important judgments about him are personal ones; if he is trying to cover something pretentious or phony under high-sounding phrases, they soon find it out.

A political leader also needs to know at every minute just where he stands with his own party and the opposition. So far as the Republicans were concerned, we were lucky indeed. They were so demoralized by their defeat in 1951, so lacking in leadership, so inept in opposition, that for 4 years we were able to ignore them. With the Democrats it was different. The philosophy of our administration was completely opposed to that of many of the leaders of the city organization. They were in politics for profit, power, and prestige—nothing else. Yet we could not win elections without them.

So, for 4 years there was brush warfare for limited objectives—never massive retaliation on either side—probably because neither antagonist was able to select a time and place of his own choosing. Each spring we would quarrel bitterly over candidates in the primary. Each fall we would kiss, make up, and have pictures taken with our arms around each other's shoulders. I always kept thinking: "This spring we must knock them out of the box."

But the time never came. And in 1955 when question of the succession arose the organization swallowed Dick Dilworth as its candidate for mayor like a brave little boy taking castor oil.

Yet, as I look back on my administration, I think that one of my most early miscalculations was thinking that I could ignore the Democratic city committee and get away with it. So far as defending the city charter and getting our budget through the council were concerned, we were successful. But for 3 long years Bill Green, the Democratic city chairman, and his ward leaders, held on to their power in the county offices. And in the State legislature in Harrisburg no legislation affecting the city of Philadelphia went through without Green's consent. This situation resulted in many frustrating failures and I had to eat a lot of humble pie. Even today, the Governor must look to the city committee rather than to the mayor if he wants help in carrying out his State program.

A successful politician must learn what he can expect from his local business and financial leaders and from organized labor.

We came to expect nothing from the Philadelphia Chamber of Commerce. Like its national parent, it kept repeating ancient and obsolete dogma. For 67 years it had got its way in city hall—low taxes, inadequate municipal services, favors for those who would pay for them—and it was slow to realize that times had changed. Yet, I now feel that if I had been more tolerant and friendly toward the chamber, we might have avoided at least two rows which set our program back. And today new leadership in the chamber is giving Mayor Dilworth cooperation I never could obtain.

WHO SPEAKS FOR THE PEOPLE?

Fortunately, the chamber did not speak for all the city's businessmen. The top-flight business leadership was organized in the greater Philadelphia movement, and it was eager to cooperate. These men supported the Penn Center development—a vast project (reported by James Reichley in the February 1957 issue of *Harper's*) which is remaking the center of the city. They developed the new Food Distribution Center, replacing the city's old and inefficient markets. And they organized and helped finance the citizens' charter committee, which was of tremendous help in getting and keeping our basic political reforms. Most of them were Republicans, but they were greater Philadelphians before they were partisans—and therefore as anxious to get our help as we were to get theirs.

Organized labor had supported us on our way up, although there were a few rough moments at the summit. For over a year I was unnecessarily at odds with Joe McDonough, the AFL leader in Philadelphia, because of my own tactlessness. He wanted a representative of labor on the civil service commission, which I did not think appropriate. Of necessity, he had to espouse the cause of Jim Forbes, flamboyant leader of the fire fighters' local union. He was also concerned because we had abolished the 40-hour week for city employees 2 days after we took office—not because we opposed it, but because the lame-duck Republican council which had voted it in had failed to provide the tax money to pay for it. From where Joe sat, he had a strong case, and I should have been more sympathetic to the difficulties which confronted him inside his own organization.

But, on the whole, the unions stood solidly behind our administration and asked for little they weren't entitled to. Many of their leaders served faithfully and well on the nonpaid citizen boards and commissions which were an important feature of the new charter.

Winning and holding the loyalty of the civil servants was a major undertaking because of the sleazy methods of administration and resulting low morale we inherited. We fired a few crooked cops and firemen, made friends with the AFL blue-collar employees' union, and gave everybody a long overdue pay raise. We finally convinced

them, I think, that they didn't have to grease their ward leader's palm to hold their jobs or win promotion. I believe we ended up with as fine a group of hardworking, loyal, courageous employees as any large corporation could boast of.

Finally, a political leader must know how he stands with the people, and what steps he should take to keep them constantly informed of his program, so that he can rally popular support at critical moments.

This was a major preoccupation for me. We tried to operate in a goldfish bowl. We solicited criticism and suggestions. Once a week we were on radio explaining our plans and programs. Twice a month we had television shows—Tell It to the Mayor, on which we solicited gripes on everything from trash collection to traffic control—and Report to the People, on which I reviewed the last month's happenings in city hall. Press conferences were held once a week. In addition, all reporters could see the mayor on short notice at any time, and had my phone number to call at any hour. Cabinet officers spoke whenever they were asked.

Through these channels and from our political friends flowed a daily stream of information which we tried to dissect at cabinet meetings. In spite of a good many mistakes, I think we came fairly close to knowing the day-to-day public reaction to what we were doing and to what extent we could rally support for our next move.

HOW HIGH TO AIM?

No matter how carefully a mayor may remember all these things, he is not likely to succeed unless he also remembers his single most priceless asset. This is simply the fact that he is the directly elected representative of all the people in his city.

They look to him for leadership, not to the members of the council or to the party hierarchy. They expect him to carry out his party's campaign promises. They cheer him if their interests are successfully defended, and blame him for any failure.

No appointed official—city manager, managing director, or chief administrator—can possibly get or keep the prestige of an elected mayor. Top leadership in American politics is never hired; it is always elected. This is the mayor's great strength. It is also his heaviest responsibility.

For the essence of leadership is to lead, not to follow. It means staying ahead of the crowd—far enough ahead so that people can clearly see which way you are heading—but not so far that you lose sight of your followers and they of you. Deciding how far ahead you should be at any moment is a matter of intuition, not something you can settle according to the formal rules of administration. It is said ad nauseam that politics is the art of the possible—but in his heart every successful political executive knows that what is possible depends largely on the quality of his own leadership.

One great danger to democracy is that power will fall into the hands of men who react to new challenges in obsolete ways. Toynbee has warned us that the men who have successfully responded to one challenge are rarely able to supply the leadership needed for the next one. They tend to think the same policies and methods will work again. More often than not, they won't.

So the primary function of sophisticated leadership is to use the experience of the past as a kind of arch, through which to look at each challenge as something quite new.

A SHORT DISTANCE

Solving these new problems requires the aid of skilled planners. They are practically all in short supply—whether they are technicians in shelter, traffic, water resources, or race relations. They cost money. One of the leader's jobs is to get that money at almost any cost. No mayor of any major

American city can possibly succeed today unless he has at his elbow the very best planners—for the city, metropolitan area, and region—that money can buy; and money alone is not enough. Often he must persuade them to enter public service at considerable personal loss.

He can do this only if he holds a high conception of the purpose of political leadership.

He must set worthy goals for himself, for the men who work with him, and for the people he hopes to lead. Nobody can be expected to follow a mayor with clay feet.

Alexis de Tocqueville, in his classic study of the United States, concluded that such a high standard of leadership was impossible in a democracy. Our form of government was not suited, he believed, to "give a certain elevation to the human mind . . . to inspire men with a scorn of mere temporal advantages, to form and nourish strong convictions, and to keep alive the spirit of honorable devotedness." On the contrary, he thought that democracy was more likely to "divert the moral and intellectual activity of man to the production of comfort . . . to insure the greatest enjoyment and to avoid the most misery to each of the individuals who comprise it."

I take a more cheerful view. I believe it is the function of modern democratic leadership to do both—to provide a floor below which misery will not be permitted to sink, and also to provide an environment in which the mind and spirit can flourish and rise to new heights of achievement. To do this, a leader needs that sense of history which was always a part of the thinking of such men as Franklin D. Roosevelt and Winston Churchill. A mayor does not come to office to preside over the dissolution of his city, any more than Churchill became Prime Minister to preside over the dissolution of the British Empire. He must be proud of his city's past and anxious to play his part in its future. And in his daily life he must make it clear that he has not—in Tocqueville's phrase—"acquired the supreme power only to administer to . . . coarse or paltry pleasures." In short, when ridding Philadelphia of corruption it was also necessary to rid it of contentment.

Together with this sense of history, a good political leader must have the ability to look ahead for the best way to the ideal future of his city. Then, when he has discerned it as clearly as he can, he must try to lead his community a short distance in the right direction—remembering that it is his high duty to bring out the best in that imperfect and imperfectible being who is created nonetheless in God's image: Man, on whose support his claim to leadership depends.

MUTUAL SECURITY ACT OF 1958

The VICE PRESIDENT. Is there further morning business? If not, without objection the Chair lays before the Senate the unfinished business, H. R. 12181.

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

THE LAG IN OUR NATIONAL DEFENSE

Mr. SMITH of New Jersey. Mr. President—

The VICE PRESIDENT. The Senator from New Jersey.

Mr. SMITH of New Jersey. Mr. President, I am happy to yield to my distinguished friend the Senator from Missouri [Mr. SYMINGTON], who advises me

he has a statement to make and desires to meet a plane. I yield to him with the understanding that I do not lose the floor.

The VICE PRESIDENT. Is there objection? The Chair hears none, and the Senator from Missouri may proceed.

Mr. SYMINGTON. Mr. President, through a policy of inaction, this administration is handing military superiority over to the Communists; and the recent technological and diplomatic defeats forced upon the Free World as a result of this policy, only serve to emphasize the growing peril.

Our defense effort is being shackled by a lack of decisive leadership.

At the time of the launching of the first sputnik, nearly 8 months ago, our defense strength was greater vis-a-vis the Communists than it is today.

The new Russian sputnik was launched May 15, another grim warning for all but the blind to see—a ton and a half of Soviet technology circling our country at will.

Nevertheless, our Government continues to place soft living and budgetary considerations ahead of national security.

If the rapid advance of communism during recent years has taught us anything, it is that successful negotiations with these people are possible only if conducted from a position of relative strength.

Therefore, there can be no justification whatever for our present policies.

Having permitted the United States to lose its relative defense strength, we are now adding new names to the old trouble spots.

To Korea, Formosa, Indochina, and Egypt, we now add Syria, Yemen, Indonesia, Lebanon, and Algiers.

And our oldest ally of all—France.

Also new names from the Western Hemisphere—Lima and Caracas, places where people recently stoned and spat in derision on the Vice President of the United States.

As things are now going, more names will appear shortly, to be added to the long list of recent Free World failures.

Every American has the right to ask, What action has been taken during the nearly 8 months which have passed since last October 4, the day Russia projected man into the Space Age?

The answer is, very little.

After Sputnik I, there appeared to be a stirring, an uneasiness, a resolve to face up more to reality.

But now again the administration has fallen back into its former ostrich-like state of complacency.

As the beep of the first sputniks faded into silence, inaction, delays, and expenditures ceilings returned to view.

The truth of the matter is they never really left; but became temporarily unnoticed, while our attention was diverted by public statements of promised actions.

In addition, through an unfortunate twist of timing, there was another diversion—discussion of the administration's defense reorganization plan.

That controversy has tended to relegate and obscure the issue of our relative decline in strength.

Last November 14, President Eisenhower himself promised "a critical re-examination of our entire defense position."

At that time also, the President announced a basic change in the policy of his administration, when he asserted that the American people would no longer "sacrifice security worshipping a balanced budget."

As a result of these statements by the President, many of us were willing to overlook the Government's record during the previous months—a record of disgraceful disregard for our declining strength vis-a-vis that of the Soviets.

On the contrary, we were eager to cooperate to recover lost ground; anxious to build up our military strength so there could be hope in negotiations looking toward permanent world peace.

Last November the Senate Preparedness Investigating Subcommittee started hearings to find out the truth about our strength.

During these hearings, expert testimony was received from outstanding civilians, scientists, and military leaders.

On January 23, the subcommittee issued a unanimous report, signed by all Republican members of the committee as well as all Democrats.

That report listed 17 areas "upon which decisive action must be taken."

These recommendations—nonpartisan in origin and constructive in content—presented a suggested framework for positive action on the part of the administration.

Taking them up in order, the first unanimous Senate subcommittee recommendation was to "modernize and strengthen the Strategic Air Command."

What has been done to that end is inadequate.

As example, there has been no acceleration whatever of aircraft production programs.

A few more long-range jet bombers and tankers were scheduled; and for them this administration did request a supplemental appropriation to the 1959 budget; but what was asked for will give less than one additional SAC wing; and that shrunken wing is not planned to be operational for 3 years.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my able and distinguished friend from Pennsylvania.

Mr. CLARK. I am very much interested in the most important speech which my good friend from Missouri is now making on the floor of the Senate. He has been kind enough to give me an advance copy of his speech. It is on a subject matter in which I personally have an intense interest.

With respect to what the distinguished Senator from Missouri has just said, I should like to inquire, realizing that there is certain classified information which the Senator cannot reveal, but within the limitations of classification, how operational today is SAC? What percentage of its planes can be kept in the air? What is the status with respect to maintenance, and gasoline, and the ability to keep the planes fully oper-

ational? I notice that the Senator's recommendation No. 14 deals with the problem of adequate pay for skilled military personnel.

Does the Senator feel that legislation which has been enacted, or that which may be enacted, will be adequate to hold the experienced competence which is necessary not only in armed services personnel, but in civilian personnel? I realize I have thrown a great many different questions at the Senator, but I think all Americans would be interested in an amplification about SAC's situation, subject to restrictions of classified information.

Mr. SYMINGTON. I thank the Senator for his interest in this matter, especially as he is one of those who takes a continuing and basic interest in our national defense.

Answering the last part of the Senator's question first, I would say the new military pay law is a substantial improvement over the pay scales of the past. I do not believe it will do all the job which is required. I still think we shall lose, especially after the first term enlistments, a number of mechanics and other skilled personnel as well as technicians in the new arts which are becoming so important in defense. This turnover is expensive and weakens our defense capability.

However, with respect to the maintenance of SAC—and I am one who believes that SAC is the greatest single deterrent to war we have in the Free World today—the maintenance is inadequate, the number of mechanics is inadequate, and the modernity of the planes is not what it should be. The primary reason for these inadequacies is the expenditure limitations which are arbitrarily imposed on the construction, maintenance and operation, and equipment of the Strategic Air Force.

Mr. CLARK. I thank my friend for his answer. I hope the American people will be given the opportunity to hear this speech through the press.

I feel we have slipped back into another era of complacency, after the splendid work which was done by the Johnson subcommittee, on which the Senator from Missouri served with such distinction earlier in the year. I think the time has come to awaken the people of the United States to the fact that nothing adequate is being done in this area.

Mr. SYMINGTON. I thank the Senator for his typically constructive approach to this vital matter.

I point out, if I may, that under the chairmanship of the distinguished majority leader an extraordinary accomplishment occurred in regard to these 17 recommendations. The logic and wisdom of the majority leader aided by distinguished counsel contributed greatly to this accomplishment. Not only did all the Democratic members sign the 17 recommendations to which I refer in these remarks, but all the Republican members of the subcommittee also signed them.

My statement today is an effort to show that, regardless of this unanimous position in the Senate with respect to mili-

tary defenses and the promises which the President made last fall after the first sputnik was orbited, little actually has been done compared to what was promised or what was and is needed.

Mr. HILL. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my distinguished friend from Alabama, one of the great authorities in the Senate on military affairs.

Mr. HILL. I thank the Senator.

I agree thoroughly with all the Senator from Pennsylvania said about the work of the Johnson subcommittee. The subcommittee did an excellent job.

I desire to bring to the attention of the Senate the fact that some time before the Johnson subcommittee began its investigations we had the Symington subcommittee, and that subcommittee did a most excellent job. The Symington subcommittee brought out information regarding the many weaknesses, and, may I say, derelictions so far as airpower is concerned, as well as the facts relating to other phases of our national defense. Although these facts were brought out very clearly and in a most forceful way by the Senator from Missouri and his subcommittee, very little has been done to correct the situation, as the Senator from Missouri has stated in his speech.

Mr. SYMINGTON. I thank my distinguished friend from Alabama. The Senator has always been a proponent of a strong defense, and especially strong airpower. Unfortunately, the report to which the Senator referred, the report of the Air Power Subcommittee, was one which the Republican members did not sign in agreement with the majority report. Rather, the Republican members presented minority and contrary views.

I am glad to know that in the 12 subsequent months those who were members of both committees reversed themselves. The report which the able majority leader was able to submit was signed unanimously. That is very important from the standpoint of what the people should think about the way the administration is handling our defense problems at this critical time in world affairs.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished acting majority leader.

Mr. MANSFIELD. Mr. President, I want to join my colleagues, the Senator from Pennsylvania and the Senator from Alabama, in commending the Senator from Missouri not only for the timeliness of his report but for the great work the Senator did in the subcommittee of which he was the chairman, which in effect, was the predecessor of the Johnson subcommittee, of which he is a most distinguished member.

The Senator has said that in his opinion the Strategic Air Command is the greatest deterrent to aggression we have. I would assume that in the opinion of the Senator from Missouri SAC is also, in fact, the keeper of the peace at the present time.

The Senator has mentioned maintenance with respect to the Strategic Air Command. Could the Senator tell the

Members of this body exactly how deficient we are with respect to mechanics in SAC?

Mr. SYMINGTON. I am sorry to tell my distinguished friend from Montana that I cannot give precise details as to the exact number needed at this time. I know we had sworn testimony last fall that a significant part of the Strategic Air Force was grounded because of lack of gasoline. I also know we had sworn testimony from the then head of SAC, General LeMay, that he did not have the quality or the quantity of mechanical support and technological support he should have.

I believe it would be interesting to the distinguished Senator from Montana and the Senate to know that 75 percent of the enlisted personnel serving in the Strategic Air Force today have been serving in that command for less than 2 years.

Mr. MANSFIELD. Would the Senator think it would be an indictment of some sort or another with respect to this, the most important of our defense groupings, to contemplate that in such an organization, which is supposed to be on ever-ready alert, 75 percent of the personnel have less than 2 years of service?

Mr. SYMINGTON. Seventy-five percent of the enlisted personnel; that is correct.

Mr. MANSFIELD. It is my hope that the initiative taken by the distinguished Senator from Missouri and the Senator from Arizona [Mr. GOLDWATER] in introducing as a bill what were known as the Cordiner proposals, will have some result in obviating such a situation. I hope something will be done to bring about a strengthening of the personnel of the Strategic Air Command and the other elements of the armed services through the better pay and greater security sought to be provided by the legislation which, under the chairmanship of the distinguished Senator from Mississippi [Mr. STENNIS], has cleared both Houses and been signed into law by the President.

Could the Senator tell the Members of this body what the meaning of the word "abort" is?

Mr. SYMINGTON. As the able Senator from Montana knows, when an airplane goes on a mission and something of a technical or similar nature happens which prevents the mission from being completed, the word "abort" is used.

Mr. MANSFIELD. Does the Senator have any figures indicating how much aborting has been a factor in the operations of the Strategic Air Command?

Mr. SYMINGTON. I do not have the figures exactly, but I know the figure is inexcusably high. We had sworn testimony that as a result of the expenditure ceilings which were placed on the Strategic Air Force there were planes which did abort, there were more accidents, and there were more casualties.

Mr. MANSFIELD. Could the Senator tell the Senate whether we have had in the Strategic Air Command at all times sufficient personnel to man the planes of that command?

Mr. SYMINGTON. We have not. We have been and still are short of trained crews.

Mr. MANSFIELD. Could the Senator, for the information of the Senate and the people of the country, tell us something about Operation Reflex Action?

Mr. SYMINGTON. Now the Senator is getting a little close to something I would prefer not to discuss at this time. The Senator's knowledge of this subject is very great. If there is anything he would like to include in the Record on that item I would be happy to have him do so.

Mr. MANSFIELD. I do not intend to go into things which are secret or confidential, but it is my understanding that this operation is pretty well known and has been well publicized in the press of this country.

It was my privilege to witness in Morocco last fall a Reflex Action operation at Sidi Slimane, at which time 20 B-47's were wheeled on the runway and in 20 minutes were in the air on their way to a predetermined destination. This is something which the Air Force recently has had to do to make up in part for the scientific supremacy in ICBM's and ICBM's which the Soviet Union has over our country at the present time. I think General White and the Air Force are to be commended for the great strides they have taken to keep the United States in a state of preparedness and to keep the first arm of our defense on the ever ready and alert.

In that respect, I hope the Strategic Air Command will continue the series of aerial reconnaissance flights in the Arctic area, which, of course, we know are needed very badly. In the Arctic, SAC planes must go up to intercept any unidentified objects. It is an area which is the most important, in my opinion, so far as the defense of this country is concerned.

In other words, I believe that the polar icecap is the area from which any attack against this country will come, if it ever comes.

I thank the Senator.

Mr. SYMINGTON. I thank the Senator for his very able contribution.

As a matter of interest, for some time now, an average of 23 percent of the medium bomber wings of the Strategic Air Force are idle, because of the lack of adequate maintenance. I mention that figure to show the incredible situation in which the defense of this country finds itself at the present time.

The unanimous Senate subcommittee recommendation No. 2 was "to step up the dispersal of SAC bases." Fiscal considerations have blocked sound planning for much of that dispersal.

Solely in order to save money, SAC aircraft, defense missile facilities, and other important military equipment are in some cases now actually being concentrated into more confined areas. This can only delight Mr. Khrushchev, who has announced that he intends to bury us; and also please his bomber pilots, his submarine crews, and the missile experts under his command. This action, against all experience and all expert ad-

vice, is especially unfortunate, because if we are ever subject to all-out attack, the first targets will be those bases which represent our capacity to retaliate.

The third unanimous Senate subcommittee recommendation was to "put more effort into developing antimissile missiles." That area of defense is also characterized by indecision and delays.

We know the Russians are far ahead of us in long-range ballistic missiles. We know also that our defense against those weapons has barely gotten off the ground. Since the heavy cutbacks in research and development expenditures of last year, there has been some increased effort in the antimissile field. But the organization to handle this problem is not worked out; and the current division of functions between the services can only cause increased waste and delay. As example, warning and communications rest largely in the Air Force; but the launching function remains in the Army. Both services receive constantly fluctuating financial assistance in their effort to carry out this vital mission—and that would appear to be one of the chief reasons why the entire program is characterized by disorganization and little sense of urgency.

The fourth Senate recommendation was to improve our early-warning system for manned aircraft and accelerate the development of an early-warning detection system for ballistic missiles. Construction of the distant early-warning line, planned to defend this country against manned aircraft, is proceeding slowly; and again, the delay is due largely to arbitrarily established expenditure ceilings. As a result, our warning system against manned bombers, including required radar and other equipment, is still entirely inadequate. Nor is there any adequate warning system against the ballistic missiles now possessed by the possible enemy; weapons which can streak across the polar cap toward the unprotected bases and cities of this country. That is why it is so vitally important to disperse our retaliatory forces, with SAC bombers constantly on the alert.

Senate recommendation five was that action should be taken to modernize and strengthen ground and naval forces. This nation has scores of military commitments all over the world. If we should fail to live up to those commitments, the United Nations would go the way of the League of Nations; and that would be another triumph for advancing communism.

Unless, therefore, we wish to fall back entirely on the 1954 theory of massive retaliation, this Nation must also have an adequate and modern army. Today we have no such army; and the one we do have is being cut down even further. The present administration decision is to reduce the American Army to 14 divisions. Russia alone has 175.

As to the effectiveness of the divisions remaining, nearly every major expenditure item in the Army 1959 budget is being cut back, as compared with Army expenditures for 1958. This further reduction is being taken in the face of sworn testimony that in order for the

United States to meet its world commitments, we must have a minimum of 28 modern division. Eight of our present divisions are stationed at various overseas points, where their strength is but a small fraction of the forces arrayed against them. Of the divisions stationed in this country, only 4 are considered ready; and these 4 divisions are equipped primarily with World War II equipment.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to my distinguished friend from Pennsylvania.

Mr. CLARK. I invite the attention of my friend from Missouri to a news article which appeared in the New York Herald Tribune of May 21, 1958. The article is entitled "Small War Corps Set Up by Army—Battle-Ready for Fast Moves."

That article was placed in the CONGRESSIONAL RECORD by the junior Senator from New York [Mr. JAVITS], who seemed to take some pride in the fact that perhaps the problem of fighting so-called brush wars with adequate forces has finally been solved. However, as I read the article, I note that Maj. Gen. Robert F. Sink, whose headquarters are at Fort Bragg, and who is said to command what is known as STRAC, the Army brush war agency, points out that this group has one gaping deficiency. It must depend on the Air Force or the Navy to move anywhere in the world.

I think I am correct in saying that we could not today airlift as much as one complete division to any threatened point in the world.

Mr. SYMINGTON. That is correct. We could not lift and properly support a single division overseas.

Mr. CLARK. I think the country may perhaps have been lulled into a sense of false security last week, because—in my judgment, very foolishly, indeed—the President directed some Marines to head down to the Caribbean, because of the unfortunate occurrences in Caracas, Venezuela. Some 500 marines, as I understand, were lifted down to bases in the Caribbean so that they could be ready to move farther south if the occasion should arise.

I wonder if the Senator can advise us just how effective 500 airborne marines would be in meeting promptly and effectively a brush war situation which might arise anywhere in the world.

Mr. SYMINGTON. The lift from here to Central America would come under the category of Tactical Air Lift. As for what would happen to the 500 marines would depend upon the resistance which they might meet. I believe that such a lift could be handled, but technically it is not a strategic lift. A strategic lift would be handled by the C-124; a new plane, the C-133; and by a still newer plane, the C-132, which was unfortunately canceled from the program after a great amount of money had been spent upon it.

Last year representatives of the Department of Defense testified before the committee that they were canceling the C-132 development, the new strategic

air lift plane, because they intended to concentrate on the C-133.

Later testimony brought out that they did not have any additional money in the budget for the C-133's. The monthly production figures of the C-133's are probably classified. It is the only modern airlift plane which this country, with its worldwide commitments, is building today. Hence, it is hard to understand why the program is so fantastically small.

Mr. CLARK. As I understand, what the Senator is telling us—and I believe it to be one of the most shocking revelations of our inadequate national defense which has been brought to the attention of the American people in recent years—it is that we have no real capacity for airlifting Army troops to fight a brush war, which could arise at almost any place in the world and almost overnight. That to me is a very shocking situation.

Mr. SYMINGTON. I thank the Senator. I would put it in this way: If we retain the airlift that is required for SAC readiness, we cannot at the same time lift properly and support overseas a single Army division. That in itself gives the answer.

Mr. CLARK. I should like to ask my friend one more question. I have heard it said that if a real emergency arose we could tap the commercial airlines for their present aircraft, the luxury liners which are carrying passengers on the civilian airlines with such efficiency. I wonder whether the Senator would care to give us his point of view on the question whether the use of commercial airliners for military purpose would make up the present deficiency.

Mr. SYMINGTON. The Senator's question is a very perspicacious one, as usual. It is not possible to take a commercial airliner and put the floor loads on it that can be put on a plane which is built for military service. For example, in the Berlin airlift, I would say that from about one-eighth to one-tenth of the total space on the floor of a C-54 was used for coal. In addition to that, because of the door arrangements paratroopers cannot jump from commercial airliners. Therefore, the argument that commercial airliners can be used for that purpose is not tenable. In addition to that, as the Senator knows, the use of commercial airliners for that purpose would have a seriously disrupting effect on civilian travel and on the important missions which must be carried out within the country.

The Senate subcommittee's sixth recommendation was to provide an adequate airlift for ground troops.

With the world as it is today, a capacity for the swift movement of fully equipped ground troops is absolutely essential.

Nevertheless, sworn testimony was received by the subcommittee that at this time the United States cannot lift and properly support overseas a single division.

If forced to defend either ourselves or our allies in a limited war, apparently we must hope for some miracle to be able to transport troops where needed.

The seventh recommendation of the subcommittee was to pour more effort into our antisubmarine program.

Two years ago this country officially acknowledged that the Soviet Union had a modern fleet of some 500 submarines, more than 10 times the number Hitler had at the beginning of World War II.

The Soviets have the capacity to launch missiles from submarines.

They also have the capability to produce nuclear-powered submarines.

Based on these facts, one would have expected some sense of urgency in the development of an antisubmarine program.

The 1959 supplemental does ask for money to improve the Navy's antisubmarine capability, but the testimony shows clearly that what was asked for does not fully recognize this new submarine menace.

And there has been no increase in the nuclear submarine program for anti-submarine warfare.

The unanimous Senate subcommittee recommendation eight was to step up production schedules of Atlas, Thor, Jupiter, and accelerate the development of Titan.

As far back as January 1957 the report of the Senate Airpower Subcommittee emphasized the greater rate of progress Russia was making in the field of long-range missiles.

A year later, January 1958, the Preparedness Subcommittee made this flat statement:

The Soviet Union leads the United States in the development of ballistic missiles.

In between these two reports, we not only had accurate intelligence information regarding the great number of Soviet test firings, but also learned that the Soviets had developed sufficient thrust to throw into orbit a 184-pound satellite, then one weighing more than half a ton.

Last month the Soviet launched and orbited a satellite weighing a ton and a half.

Although this is more mounting evidence we are losing the ballistic missile race, there has been no acceleration of the Atlas, Thor, or Jupiter programs.

A \$50 million supplemental request was made to accelerate the Titan. This acceleration, however, amounts to little more than an effort to forestall slippage in the development of this missile.

Lack of a sense of urgency continues to dominate the long-range missile program.

The Senate subcommittee's ninth recommendation was to reduce lead time in the development of weapons systems by cutting down on decision time and by simplifying procurement procedures.

For years we have known that the Soviet Union far surpasses this country in the rapidity with which it can get approved designs into quantity production.

Nevertheless this important lead-time recommendation is another one under study.

The tenth Senate subcommittee recommendation was to provide for a freer exchange of scientific and techni-

cal information between the nations of the Free World.

We now know the United States has no monopoly on such information; and it is understood the Secretary of Defense has taken prompt steps in making recommendations for modifying the existing restrictions in this field.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I am glad to yield to the distinguished Senator from Pennsylvania.

Mr. CLARK. I should like to point out that of the 17 recommendations made by the Johnson subcommittee, which the Senator is so ably discussing, it appears that recommendation No. 10 is the first one with respect to which any effective action has been taken. It seems to me a shocking thing that that is the case. As the Senator proceeds with his discussion of the remaining recommendations I believe it will be found that recommendation No. 10 is the only one with respect to which anything effective has been done. I believe the attention of the Senate, and, indeed, of the country, should be called to that fact.

Mr. SYMINGTON. I thank the Senator. There is another recommendation in that category to which I will come. It is with respect to the defense reorganization proposal of the President.

Recommendation No. 11 was to start work at once on the development of a rocket motor with a million pound thrust.

Sworn testimony in the 1956 airpower hearings revealed that the development of greater thrust engines was being delayed by limitations on expenditures.

The launching of Sputnik III May 15, gave the clearest indication yet how far this country lags in thrust development.

This latest Russian sputnik weighs some 100 times more than the largest satellite we have been able to put up to date; and it is heavier than any we will put up for years to come.

Mr. CLARK. It is with no pleasure that I call the Senator's attention to the fact that we have had another failure with respect to the latest Vanguard launching. I wonder if the Senator would care to comment briefly on the difference in the thrust between the Russian sputnik, which was successfully fired, and our Vanguard, which, to our great discomfure, was not successfully fired yesterday.

Mr. SYMINGTON. The thrust used for the satellites we have put in orbit is quite small. I will not quote the exact figures. However, the thrust required for an ICBM is from three to four hundred thousand pounds. On the day after Sputnik III went up, by good fortune possibly the greatest authority on rocket engine thrust in the country, Dr. William Pickering, director of the Jet Propulsion Laboratory of the California Institute of Technology, testified before the Senate Space Committee. Upon being asked, he said his guess would be that the thrust used to launch and orbit the latest sputnik was between five and six hundred thousand pounds. Its weight is about a hundred times more

than the weight of the heaviest satellite we have been able to place in orbit.

It is true that some effort is being devoted to the development of larger rocket engines than we now have; and it is also true that some consideration is being given to a program for a million-pound-thrust engine. But there is no evidence to show that any real impetus is being put behind this program to offset the previous curtailment of funds.

Once again, therefore, inadequate emphasis is characteristic of an important defense program.

Senate subcommittee recommendation 12 was to give serious attention to the question of shelters and stockpiles for civil defense.

All that has been done about this recommendation is another statement from the administration that adequate civil defense would cost a lot of money.

In other words, this problem continues to be shoved under the rug.

The Senate subcommittee's 13th recommendation was to reorganize the structure of the Defense Establishment.

The President has sent to Congress a proposed reorganization to that end. If his proposal is put into effect and administered efficiently, it will improve our security, and also result in savings to the American taxpayer.

The President's proposal does not go far enough along the paths of modernization and readiness—but it is a move in the right direction.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. CLARK. I express the hope that at an early date the Senator from Missouri will give his colleagues in the Senate the benefit of his deep thinking on the whole reorganization program. It has seemed to me, too, that the President's proposal should be supported. I intend to do so.

I am interested to hear the Senator say that he does not think the President's proposal goes far enough. Perhaps the Senator would not care to expand on this topic now, but I hope, if he does not do so now, he will do so at a later time. I think it is most important that the country should have the benefit of the thinking of a man now a Member of the Senate, who formerly was the able Secretary of the Air Force.

Mr. SYMINGTON. I thank my able and distinguished friend from Pennsylvania for the honor of his suggestion, and assure him that I intend to discuss this matter after the hearings have started in the Senate.

The Senate subcommittee recommendation 14 was to "provide increased incentives for the retention of trained personnel in the military services."

Some of us introduced a bill to that end over a year ago, in May 1957.

This year the President did send a military pay proposal to the Congress; and a bill satisfactory in most particulars has now been passed and signed into law.

Senate subcommittee recommendation 15 was to "accelerate and speed research and development programs, providing

funding on a long-term basis, and improve control and administration within the Department of Defense or through the establishment of an independent agency."

Last August the Department of Defense cut back its research and development efforts \$140 million.

Since that time these cuts have been restored; but, despite the known technological progress of the Soviets, estimated expenditures for research and development for 1958 as compared with 1957 give no indication of any real concern.

Actually the increase of 4.3 percent in research and development expenditures does not offset the depreciation in the value of the research and development dollar.

More centralized control in the Office of the Secretary of Defense, including the establishment of the new agency, ARPA, should give better direction to defense research and development activities.

But the continuation of expenditure ceilings, plus the small appropriation requests for research and development, do not leave any impression that this vitally important part of our national defense program is actually being accelerated.

The survival of the United States demands that this Nation embark immediately upon an all-out, top-priority research and development effort in the field of the new weapons.

In an article published last Sunday in the New York Times, written by John W. Finney, and entitled "United States Lags in Space Race 8 Months After Sputnik I," the approach to this research and development picture is best summed up in three short sentences:

If you get right down to brass tacks, very little has been done.

The program is on dead center.

All we have had since last October is talk, talk, talk.

Those three paragraphs just about sum up much of our efforts to maintain an adequate defense against communism.

Mr. President, I ask unanimous consent that this informative and thought-provoking article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. CLARK. I am happy that the Senator from Missouri has made so forthright a statement about the progress of research and development. I am concerned because I have been told by one of our colleagues on the other side of the aisle, who is ordinarily well-informed on these matters, that in point of fact the Department of the Defense is unable to spend the money which is now available for research and development. That statement rather shocked me. It seems to be in direct contravention of what the Senator from Missouri has just stated. Would the Senator from Missouri be willing to comment on that suggestion?

Mr. SYMINGTON. There are two factors. In the research and development field, there must be some long-term planning. I am sure the Senator knows also that the budgetary process calls for authorization, appropriation, and allocation, and expenditure. There is a vast difference among these various actions. The problem is that, despite the fact that money has been now appropriated, in many cases rigid ceilings have been placed over expenditures.

Mr. CLARK. So by executive action, the Bureau of the Budget, with or without the agreement of the Department of Defense, has thwarted the will of Congress and has cut back research and development below the point where expenditures could be usefully made in the interest of national security.

Mr. SYMINGTON. I would not want to place the entire responsibility on a particular department; but, in my opinion, the administration has thwarted the will of Congress. It has not utilized the money which it stated was needed when the appropriation was requested.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield to my able friend from Montana.

Mr. MANSFIELD. Is the Senator speaking of the impounding of funds by the Department of Defense and the Bureau of the Budget?

Mr. SYMINGTON. I am speaking of impounding funds by the executive branch of the Government.

Mr. MANSFIELD. Is it not correct to state that the Truman administration, a Democratic administration, impounded funds appropriated by Congress to maintain a 70-group Air Force? Is it not a fact that, instead, only a 48-group Air Force was maintained?

Mr. SYMINGTON. That is correct.

Mr. MANSFIELD. Is it not true that under the leadership of the distinguished Senator from Missouri 3 years ago Congress unanimously increased the appropriation for the Marine Corps to \$40 million which, it was felt necessary, was to maintain the legislative floor for the Marine Corps at 3 combat-sized divisions and 3 air wings, and that those funds were impounded by the Department of Defense?

Mr. SYMINGTON. I may say to the Senator from Montana, who in his youth was a most distinguished member of that great corps, that I do not think the vote was unanimous, but the bill was passed, and the money was then impounded.

Mr. MANSFIELD. The bill was passed, and it expressed the will and intent of Congress, but that intent was flouted by the then Secretary of Defense, who tried to divert the money to other uses. Had it not been for the chairman of the Committee on Armed Services, the distinguished Senator from Georgia [Mr. RUSSELL], the money would have been used for other purposes. Instead, because of the efforts of the Senator from Georgia, it reverted to the Treasury of the United States when it was not used for its original purpose.

Is it not true that at present in this fiscal year supposedly \$33,200,000 has been designated for use by the National

Guard in the various States to build installations and facilities of various kinds, and that only \$10 million of the \$33,200,000 has been spent, the remaining \$22,300,000 having been impounded by the administration?

Mr. SYMINGTON. The Senator is correct. I shall state briefly some figures on that point. About a year ago a \$38 billion expenditure ceiling was placed on the Department of Defense. That action was described by the Comptroller of the Department of Defense as a rigid expenditure ceiling. At the beginning of the fiscal year 1958 for which that ceiling was established, there was available to the Department of Defense \$70.8 billion, of which \$10.5 billion had not even been obligated. Much of the difficulty we are experiencing now is the result of the arbitrarily applied expenditures ceilings. This arbitrary and defense weakening action was taken despite the fact that the money was available.

Moreover, after the beeps of the first two sputniks had faded, many of the expenditures ceilings were rigidly re-applied.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield.

Mr. CLARK. Will the Senator from Missouri comment on the extent to which the expenditure ceilings imposed by the executive arm of the Government were necessitated by the national debt limit, which prevents expenditures beyond a certain level? I think the amount originally was \$275 billion.

Recently Congress raised the limit \$5 billion, and now I think it is \$280 billion. It now seems apparent that it will be necessary to raise the limit again.

What gives me such grave concern is that because of the debt ceiling limitation last summer and fall, the restrictions on expenditures imposed on the Department of Defense, resulted in cutting back the military program to a dangerous level. I am concerned that what happened then will happen all over again this summer and fall. I do not know whether the Senator from Missouri wishes to comment on that suggestion.

Mr. SYMINGTON. The distinguished Senator from Virginia [Mr. BYRD], who is always most interested in national defense, stated to me that in each of the 3 previous years the administration had requested a temporary increase in the debt ceiling and that the request had been promptly granted by Congress.

In the year when the Department of Defense applied the expenditure ceiling of \$38 billion against the available amount of \$70.8 billion, they nevertheless did not apply for an increase, permanent or temporary, in the debt ceiling. Therefore, I cannot say that the debt ceiling was the primary reason for their freezing the money and limiting defense expenditures. The President did not request that the debt ceiling be raised, which he could have done if it was interfering in any respect with defense.

Mr. CLARK. On the other hand, the Senator will agree, will he not, that if

the debt ceiling had been lifted, it would have been possible, if the Department had wanted to do so, to remove the expenditure ceilings, and to proceed with the job of providing adequate national defense?

I note only for the RECORD my fear that this will happen all over again in 1958.

As the Senator knows, I am one of the few Members of this body who believes that the debt-ceiling limitation is a serious mistake, and should be entirely eliminated; and that between the Congress and the President, sufficient self-discipline can be exercised to prevent the debt from getting out of hand.

I am interested in the comments of the Senator from Missouri on this point. I merely wish to state that if we do not look out, we shall be back in the same "box," all over again.

Mr. SYMINGTON. I thank the Senator from Pennsylvania for his constructive comments.

Mr. President, Senate subcommittee recommendation 16 was to put more effort into the development of manned missiles.

There has been progress with the many-thousand-miles-an-hour X-15; and progress also in medical research as it relates to space flight. But overall action on this recommendation is likewise handicapped by insufficient funds.

The 17th, and final Senate subcommittee recommendation was to accelerate the development of the Polaris missile system.

The subcommittee received testimony recommending a program of nine Polaris submarine systems. This proposal has been cut down to five.

Mr. President, the above summary and evaluation of what has been done about the 17 unanimous recommendations of the Senate Preparedness Subcommittee, as signed by all the Democratic members and all the Republican members of the subcommittee, can only bewilder and discourage all those who are interested in adequate national defense.

The facts show clearly and incontrovertibly that the military strength of the Communists is growing faster than our own.

Nobody should know that better than the President. What has happened, therefore, to his promised critical reexamination of our entire defense position? And what has happened to his pledge that we would not sacrifice security worshipping a balanced budget?

There are people who sincerely believe that fiscal objectives are actually as important as national security. These people attempt to justify their protest against further defense efforts by stating we have already been asked to make far greater sacrifices than those requested prior to the sputniks.

Mr. President, nothing could be further from the facts, even though it would appear care has been taken to keep those facts from the public.

In the past months of steady technological and diplomatic defeats, how many people realize that the overall 1959 budget, even including the latest defense supplements, is less than the 1958 budget?

Why is the increase in the amount of money requested for defense since the launching of the first sputnik less than 1 percent of the Nation's gross national product of 1957?

Even worse from the standpoint of our security, defense-dollar expenditures for goods and services were less in the fourth quarter of 1957—the first postsputnik quarter—than they were in any of the three previous quarters of that year.

What is more, defense expenditures for goods and services in the first quarter of 1958 were less than they were in any quarter of 1957.

None of this has been known. In fact, we have been led to believe that increased defense expenditures were being made in order to help cure the recession, with its problems of unemployment.

Therefore, President Eisenhower now owes an accounting to the American people.

Let me ask again: "What is the use of being the richest in the graveyard?"

Mr. HILL. Mr. President, will the Senator from Missouri yield to me?

The PRESIDING OFFICER (Mr. PROXMIER in the chair). Does the Senator from Missouri yield to the Senator from Alabama?

Mr. SYMINGTON. I yield.

Mr. HILL. Mr. President, I agree entirely with the distinguished Senator from Missouri when he says President Eisenhower now owes an accounting to the American people. "Passing the buck," so to speak, to the Bureau of the Budget has no basis or foundation whatever, so far as the Constitution of the United States is concerned.

To begin with, the President is the Commander in Chief of the Armed Forces, and the Chief Executive of the Nation. He has the right to remove any officer or official of the executive branch who does not carry out the President's policies, aims, and purposes.

In the second place, the Bureau of the Budget, as is demonstrated by the stationery on which its letters and other communications appear, is in the executive offices of the President, and is completely under the control of the President.

Mr. SYMINGTON. Yes; the Director of the Bureau of the Budget is a member of the President's official family.

Mr. HILL. Certainly he is.

Furthermore, it is the President's budget and it is the President's Bureau of the Budget; and when the Director of the Bureau of the Budget acts, he acts directly and completely under the President.

So the entire matter of defense, insofar as expenditures are concerned, and insofar as development is concerned, and insofar as the other things the distinguished Senator from Missouri has been discussing today are concerned, is directly under the control of one official of the United States; namely, the President. Is that not correct?

Mr. SYMINGTON. Mr. President, the great Senator from Alabama is invariably correct. Based on the vast experience he has had in the Congress, in both the Senate and the House of Representatives, as usual he knows whereof he speaks.

Mr. CLARK. Mr. President, at this point, will the Senator from Missouri yield to me?

Mr. SYMINGTON. First, Mr. President, I should like to complete my few remaining remarks; and then I shall be very glad to yield to my friend from Pennsylvania.

Mr. CLARK. Very well.

Mr. SYMINGTON. Mr. President, if we continue to drift as we are drifting, the question of our survival as a great Nation will become as important to us tomorrow as it is to the people of France today.

The Free World now stands at the crossroads.

We still have the right to choose the way; but if we continue to drift and dream, that choice will not be ours for long.

The American citizen is determined to remain the master of his state, not the slave of another. He demands, as his birthright, individual and national freedom. To maintain that priceless heritage, he must have more than a promised critical reexamination. He must have action, backed up by able and decisive leadership.

EXHIBIT 1

[From the New York Times of May 25, 1958]
UNITED STATES LAGS IN SPACE RACE 8 MONTHS
AFTER SPUTNIK I

(By John W. Finney)

WASHINGTON, May 24.—Nearly 8 months after the abrupt dawn of the space age, the United States still has no firm program, organization or funds for the race into space with the Soviet Union. In fact, there has been no official decision on whether the United States should accept the challenge of the Soviet satellites and run the race.

These basic—and disturbing—conclusions about the status of the Nation's space program emerged from interviews with high civilian and military officials responsible for drafting plans for space research.

The space program has become bogged down in organizational disputes, technical evaluations and reevaluations, multiplying layers of committees and budgetary limitations—all compounded by an underlying public and official apathy.

It appears that it will be almost a year after the first Soviet satellite was launched last October 4 before the United States will have a clear program for space exploration. Even then, there is considerable question whether the United States program will be aggressive enough to overcome the acknowledged 2- to 3-year lead of the Soviet Union in space research capabilities.

ASKED SAME QUESTION

The officials all were asked, "What has happened to our space program since last October?" Typical among the answers were these:

"If you get right down to brass tacks, very little has been done."

"The program is on dead center."

"All we have had since last October is talk, talk, talk."

For the immediate past and future, the picture may not be quite so bleak. The United States has succeeded in launching three satellites—as many as the Soviet Union, but of only about one-hundredth the combined weight of the Soviet satellites.

In the remaining months of this year, there are definite plans to attempt to launch seven or more scientific satellites, leading up to a 100- to 300-pound satellite. Preparations also are under way for shooting five rockets

to the vicinity of the moon, probably starting late this year.

But for the long range—and officials repeatedly emphasized that development must begin now for projects to be undertaken years ahead—the picture is not so clear. There are many proposals for future space projects and programs but thus far few decisions.

BACK TO INDIFFERENCE

The official reaction to the first Soviet satellite of last October now seems to have gone the full circle back to indifference.

The initial official reaction to the first 184-point Soviet satellite was that it was a stunt and, in the President's words, should not raise apprehensions one iota.

This air of indifference was shattered when the Soviet Union on November 3 succeeded in launching a much bigger satellite with a payload of 1,120 pounds.

The purse strings were loosened for the Navy's project Vanguard satellite program; the Army was given permission to fire its Explorer satellites; Dr. James R. Killian, Jr., was brought in as special adviser to the President on science and technology, and some of the economy curbs on the ballistic missile program were lifted and accelerated development and production ordered.

The military ballistic missile program continues with highest national priority, but the sense of urgency seems to have been lost about space exploration.

IMPORTANCE UNRESOLVED

Why is the program hanging? One basic reason given by many of those interviewed was that the administration had not resolved how important space exploration was to future security, prestige, and scientific advancement of the Nation. Until this question is resolved, it is difficult to draft a program, organization, and budget.

In proposing a new civilian space agency to Congress, April 2, President Eisenhower said that space technology has such a direct bearing on the future progress as well as on the security of our Nation that an imaginative and well-conceived space program must be given high priority and a sound organization provided to carry it out.

There is a debate within the administration and between the scientists and the military over defining what is "an imaginative and well-conceived program." Under debate are such basic questions as whether it is militarily important to get vehicles and man into space and whether from a scientific standpoint it is more important to conquer the cosmos or such earthly problems as cancer.

Among the military there is the conviction that gaining space superiority will be just as important militarily as achieving air superiority has been. The military applications of space conquest may not be immediately discernible, but the military is convinced that weapons will be developed.

SCIENTISTS SKEPTICAL

Within the scientific community there is considerable skepticism about the military urgency for space research. This skepticism was reflected in the statement in the space primer by the President's Science Advisory Board to the effect that moon bases and weapons-launching satellites appear to be a clumsy and ineffective way of doing a job and therefore, the earth would appear to be, after all, the best weapons carrier.

Now that the first hysteria over space has worn away, second thoughts are arising among scientists that an aggressive program of exploration could divert men and money away from other fields of necessary research. This concern is prevalent in the Science Advisory Committee, whose members are drawn primarily from universities, where the primary interest is in basic research rather than technological development of space vehicles.

The administration is now in the process of resolving—within the limitation of the national budget—these basic priorities between military and scientific exploration of space and between space research and other fields of research. Within the National Security Council, a special task force has been created to develop a national space program. Overseeing this effort is Dr. Killian. Translating a space program into dollars will raise new problems of priority.

TALK OF HUNDRED MILLIONS

The administration is thinking of spending a few hundred million dollars a year on space exploration—both military and civilian. This is considerably more than original administration estimates of the proper level, but still short of what many officials feel is an ambitious program designed to overtake the Soviet Union.

As one official put it, "We have got to think more in terms of billions if we hope to overtake the Russians. Even at full steam it is going to be 2 or 3 years before we catch up."

The administration and Congress are still seeking the sound organization the President prescribed for space research. Again, much of the debate and uncertainty surrounds the central issue of military or civilian priorities in space research.

The administration took the first step toward organizing for the space age in January when the Defense Department announced it would create an Advanced Research Projects Agency to direct military space projects. It was not until April 1, however, that the agency acquired a director—Roy W. Johnson, former General Electric Co. vice president—and began functioning.

On April 2—almost 6 months after the first Soviet satellite was launched—the Administration sent to Congress its proposal for a civilian space agency built around the long-established National Advisory Committee for Aeronautics.

Congress is still revamping the proposal, trying to find some formula to resolve the inherent conflict between the military and civilian agencies for control of space projects.

A plan oriented in civilian research has been approved by the House Space Committee, but the legislation is still under consideration in a similar Senate space committee. It does not appear likely, therefore, that the legislation will be approved and the civilian space agency established and functioning before midsummer.

The creation of ARPA resulted in some criticism among the military research officials, who felt there already were adequate authority and resources within the Defense Department—if used—to get a space program underway. Some of this criticism has subsided now that ARPA has started to operate.

The introduction of the new space agency proposal has tended once again temporarily to complicate the organizational picture.

Under orders from the President, the civilian space projects now being handled by ARPA will be transferred to the new civilian agency. The transfer discussions over the last several weeks have run into the inevitable conflict of distinguishing between civilian and military space projects.

The compromise developing is that the civilian and military space agencies will cooperate in major projects, such as man-in-space and development of more powerful rocket engines.

PROBLEMS FOR A BUREAUCRAT

Superimposed on these civilian and military space agencies will be complex organizational lines of authority that only the experienced bureaucrat can follow.

Mr. Johnson's agency, for instance, must coordinate with the Defense Department Guided Missile Office to obtain ballistic missiles for launching space vehicles—another

possible point of conflict since the inevitable priority will go to military use of the missiles.

The Johnson agency also must coordinate its overall plans with the Defense Department Director of Research. Then the plans, for approval, must go up through the Secretary of the Defense's Office and over to Dr. Killian and the Budget Bureau for approval.

Among the few new space projects to go through this organizational mill and come out approved are the Air Force and Army proposals for lunar probe rockets.

As Dr. Herbert F. York, the chief scientist of ARAP, commented to a House committee recently, this program "has been firmly authorized by everybody that we are aware of that has to authorize it."

There are growing complaints from the military that space proposals submitted in the immediate months after the first Soviet satellite still have not been approved.

FOUR-MONTH ROCKET PLAN WAITS

For instance, there has been no firm decision reached, and funds made available to proceed with the development of a rocket engine with 1,000,000 pounds thrust—a proposal made by the Air Force some 4 months ago.

Development of such an engine—which would be six times more powerful than presently available engines—is generally regarded as the first key step in any long-range space program. It is only with such an engine that the United States can hope to leapfrog the Russians with bigger and better satellites and space vehicles.

For the moment the Soviet Union has the advantage that it not only started development of military ballistic missiles earlier, but also developed more powerful rocket engines to carry its heavier atomic warheads.

It will be late this year before United States intermediate range ballistic missiles, capable of launching satellites weighing several hundred pounds, become available for space exploration. It will be 1960 at the earliest before intercontinental ballistic missiles will be available for launching scientific satellites and space vehicles weighing a ton or more.

The agency's answer to these military complaints of inaction is that in its short existence it has not had a chance to evaluate and decide upon the many and often competing space proposals before it. As Mr. Johnson and Dr. York recently told Congress, it probably will take several months to evaluate the proposals and 8 months to get up a full head of steam.

Many of the hundred or so space proposals before the agency have gone through extensive evaluation previously while the space program was being temporarily handled by the Defense Department's Guided Missile Office. The projects were reviewed in January by the special capabilities panel headed by Homer J. Stewart—the same Committee that in 1955 recommended that the satellite program be given to the Navy's Project Vanguard.

The Guided Missiles Office, however, was reluctant to make any extensive commitments on the various space proposals for fear of tying the hands of the new agency, then in the process of creation.

In the last several weeks, Mr. Johnson's agency has drafted a tentative space program for the fiscal year beginning July 1. The agency, which thus far has been operating on emergency funds supplied by the Defense Department, is asking \$520 million in appropriations, of which it plans to spend some \$250 million during the coming fiscal year.

As tentatively earmarked by ARPA, more than half of its appropriation—some \$309,400,000—will go for the development of a missile defense against ballistic missiles and for a military reconnaissance satellite project of the Air Force known as Pied Piper.

TWO HUNDRED AND TEN MILLION DOLLARS FOR SPACE

Some \$210 million would go for space projects. It has tentatively allocated \$138 million for such space developments as man-in-space research; a 1 million-pound thrust engine; communications, weather and navigational satellites, satellite tracking systems, and satellite instrumentation and power sources.

The remaining \$72 million would go for the already approved projects to shoot five rockets to the vicinity of the moon with instrumentation so they could measure the moon's magnetism and photograph its far side, and for a continuing scientific satellite program.

Even for this tentative program of space research it is conceded by Mr. Johnson that the funds requested are inadequate and that there will have to be further screening to pick out the higher priority projects.

For the Pied Piper project, for instance, \$50 million less is being requested than proposed by the Air Force. The program involves \$15 million for development of the 1 million-pound thrust engine—a 5-year project estimated to cost at least \$200 million.

As is Mr. Johnson's agency, the new Civilian Space Agency is still in the process of justifying its projects to the Killian Committee and the Bureau of the Budget. Its tentative plans call for spending \$100 million in the coming fiscal year and to build up to a \$1,300,000,000 level in 3 years.

Indicative of the organizational problems is the difficulty the new space agency encountered in obtaining its budget. At first the Budget Bureau said it could not consider the budget of an agency not yet created. It relented after it was pointed out that if the budget was not prepared now, the space agency would have to wait until next year to obtain appropriations from Congress.

In view of many of the officials interviewed, this deliberate pace of preparations for the space race reflects the apathy about Soviet space developments that permeates Congress, the administration, and the public, an apathy that was not shattered when the Soviet Union launched last week its third satellite weighing 2,900 pounds.

Mr. President, at this time I am glad to yield to the Senator from Pennsylvania.

Mr. CLARK. Mr. President—

Mr. SMITH of New Jersey. Mr. President, I rise to a point of order: I regret that I feel compelled to point out that at 12:15, I yielded to the Senator from Missouri, who assured me that his remarks would be completed not later than 1 o'clock. However, it is now almost half an hour later than that. If the colloquy he has been having with other Senators is to continue, I should like to be advised approximately how long it will continue, inasmuch as I have the floor, and obtained it in order to discuss the mutual-security bill.

Mr. HILL. Mr. President, I rise to a point of order: The Senator from Missouri [Mr. SYMINGTON] has the floor.

Mr. SMITH of New Jersey. No, Mr. President; I believe that I have the floor.

The PRESIDING OFFICER. The Chair understands that the Senator from New Jersey yielded to the Senator from Missouri.

Mr. SYMINGTON. Mr. President, I rise to a point of order: When the Senator from New Jersey yielded to me, I then obtained the floor.

The PRESIDING OFFICER. That is correct.

Mr. SYMINGTON. Mr. President, I should like to state to the distinguished

Senator from New Jersey that the first I knew about his desire to speak today was when I received from the Senator a letter in which he stated he expected to speak at approximately 3 p. m. this afternoon, and enclosed his speech.

I told the distinguished Senator from New Jersey that my prepared remarks would require approximately 20 minutes, and that has been the case. However, there have been remarks by several of my distinguished colleagues; and, of course, I have been very glad to have these comments and questions, which have thrown much light on the subject.

If the Senator from New Jersey wishes to obtain the floor at this time, I shall be glad to yield. However, I do not think a colloquy on such an important matter should be cut off on a technicality.

Mr. MANSFIELD. Mr. President, if the Senator, whoever has the floor, will yield—

The PRESIDING OFFICER. The Senator from Missouri has the floor.

Mr. SYMINGTON. I yield to the Senator from Montana.

Mr. MANSFIELD. May I suggest to the Senator from New Jersey, who has been most gracious, that he be patient for a little longer? I am sure it will not take too much time to finish the colloquy. The Senator from New Jersey can have the floor.

Mr. SMITH of New Jersey. I am glad to yield. The discussion seems to be going on indefinitely. I was told the Senator from Missouri would be through at 20 minutes to 1. It is now 10 minutes past 1.

Mr. MANSFIELD. The Senator from Missouri cannot be blamed for that. Those of us who interrupted him must take the blame.

The PRESIDING OFFICER. The Parliamentarian advises the Chair that the Senator from Missouri can yield only for questions.

Mr. SYMINGTON. Mr. President, I should like to thank the Senator from New Jersey for his invariable courtesy, on the floor and off the floor. I shall now be glad to yield to my good friend from Alabama for a question.

Mr. HILL. Mr. President, I should like to commend the Senator from Missouri for his magnificent address in the Senate today. The Senator from Missouri always speaks with wisdom and with foresight, but he has never spoken with greater wisdom or with greater foresight or with a greater understanding of the challenge which confronts the American people and the American Nation than he has today. He is the great authority on national defense in the Senate of the United States. I wish to thank him, and I heartily congratulate him on his magnificent presentation today.

Mr. SYMINGTON. All I can say in reply to that gracious tribute is that there is no Member of the Senate from whom I would rather have those kind words than the distinguished Senator from Alabama.

Mr. MANSFIELD. Mr. President, will the Senator yield for a question?

Mr. SYMINGTON. I am glad to yield for a question.

Mr. MANSFIELD. I, too, desire to commend the Senator from Missouri for laying the facts on the line. He has rendered a service, not only to the Senate but to the people of the country as well, and, I would express the hope, to the administration also. I hope the speech will be read with great care, that the sound conclusions which have been reached will be taken note of, and that action and leadership will be forthcoming from the administration in this perilous period.

Mr. SYMINGTON. I thank the distinguished acting majority leader for his invariable kindness to me. The Senator's great knowledge of the military and defense needs of this country is comparable with his knowledge of our foreign affairs.

Mr. CLARK. Mr. President, will the Senator yield?

Mr. SYMINGTON. I yield for a question.

Mr. CLARK. I should like to associate myself with the comments made by the Senator from Alabama and the Senator from Montana. I regret that the statements of the Senator from New Jersey make it impossible for us to continue with the colloquy, which I hope can be resumed later.

Mr. SYMINGTON. I thank the able Senator from Pennsylvania for his fine contributions to this discussion, and I take this occasion to thank also the senior Senator from New Jersey for his kindness in letting me have the floor.

Mr. SMITH of New Jersey. I thank the Senator.

Mr. MANSFIELD. Mr. President, will the Senator from New Jersey yield for three unanimous-consent requests, consideration of which will be of short duration? I talked to the Senator about them.

Mr. SMITH of New Jersey. Are they the matters in which the Senator from Washington [Mr. MAGNUSON] is interested?

Mr. MANSFIELD. Yes.

Mr. SMITH of New Jersey. I yield for that purpose.

STUDY OF THE EFFECTS OF INSECTICIDES, HERBICIDES, AND FUNGICIDES UPON FISH

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the unfinished business be laid aside temporarily, so that the Senate may proceed to the consideration of the three matters to which I have referred. First, I ask that the Senate proceed to the consideration of Calendar No. 1622, S. 2447.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 2447) to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, and fungicides upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following spraying and to provide basic data on the various chemical controls so that forests, croplands, and marshes can be sprayed with minimum losses of fish and wildlife.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments on page 1, line 5, after the word "herbicides", to strike out "and fungicides" and insert "fungicides and pesticides"; on page 2, line 1, after the word "of", to strike out "determining the amounts and percentages of such chemicals that are lethal to or injurious to fish and wildlife and the amounts or percentages or mixtures which can be used safely, and thereby prevent losses of fish and wildlife from such spraying" and insert "determining the amounts, percentages, and formulations of such chemicals that are lethal to or injurious to fish and wildlife and the amounts, percentages, mixtures, or formulations that can be used safely, and thereby prevent losses of fish and wildlife from such spraying, dusting, or other treatment."

And, after line 10, to strike out:

SEC. 2. The sum of \$280,000 per annum is hereby authorized to be appropriated to carry out the objectives of this act.

So as to make the bill read:

Be it enacted, etc., That the Secretary of the Interior is authorized and directed to undertake comprehensive continuing studies on the effects of insecticides, herbicides, fungicides and pesticides, upon the fish and wildlife resources of the United States, for the purpose of determining the amounts, percentages, and formulations of such chemicals that are lethal to or injurious to fish and wildlife and the amounts, percentages, mixtures, or formulation that can be used safely, and thereby prevent losses of fish and wildlife from such spraying, dusting, or other treatment.

The amendments were agreed to.

Mr. MAGNUSON. Mr. President, Senate bill 2447 was unanimously reported by the Committee on Interstate and Foreign Commerce.

I ask unanimous consent to have printed in the RECORD at this point extracts from the report on the bill.

There being no objection, the extracts from the report (No. 1592) were ordered to be printed in the RECORD, as follows:

PURPOSE OF THE BILL

S. 2447, as amended and approved by unanimous vote of your committee, would authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides, and pesticides upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials, and to provide basic data on various chemical controls. This research and study will, it is anticipated, determine the amounts and percentages of such formulations and chemicals that may be used on wet lands, rangelands, and other lands with a minimum loss of fish and wildlife.

COMMITTEE ACTION

Public hearings were held by our committee on this legislation, and everyone desiring to testify was given an opportunity to be heard. Appearing and speaking in favor of this legislation were the following: Hon. Lee Metcalf, United States Representative from the First District of Montana; Lansing A. Parker, Assistant Director for Wildlife, Bureau of Sports Fisheries and Wildlife, Department of the Interior; James D. Dewitt,

chief chemist, Bureau of Sports Fisheries and Wildlife, Department of the Interior; John H. Baker, president, National Audubon Society; Charles E. Jackson, general manager, National Fisheries Institute; H. S. Mosebrook, forester of the American Pulpwood Association; Charles H. Callison, conservation director, National Wildlife Federation; and Kenneth Pomeroy, representing the American Forestry Association. This bill is endorsed by farm groups, timber and logging industries, commercial fisheries, sportsmen, Federal and State officials.

NEED FOR THIS LEGISLATION

The current situation is, in a large part, due to the phenomenal growth in the use of new pesticidal compounds developed since World War II. The usefulness of these chemicals in combating ravages of insect pests is evidenced by reports that over 750 million pounds of pesticides having a value of over \$256 million are produced in the United States each year. About two-thirds of this production is for domestic use on some 65 million acres of the Nation's land and water.

It is reported that there are over 6,000 aircraft, flying 541,000 hours, used to distribute or spray around 100 million gallons of liquid formulations, a major share of which are insecticidal.

The effects of these sprays, or dusting, has not only killed insects, but also destroyed wild and domestic animals and birds. A Florida operation to control sandflies resulted in the death of an estimated 1 million fish of 30 different species. A spray used to destroy tree-girdling mice has killed other mammals and birds. In March of 1958 approximately 3,000 geese died from eating treated grain used in Klamath Basin, Oreg., mouse-control campaign. Water runoff from some sprays on lands has killed fish. There is grave concern as to whether chemicals used to kill fire ants will even destroy earthworms, a major source of food for woodcock wintering in those areas. In Washington State, there has been damage to upland birds. In Montana, on the Yellowstone River, there was extensive damage to fish following application of DDT as part of the spruce budworm control program. A census of fish in 7 Montana trout streams showed a loss of from 70 to 80 percent as a result of this spray.

This all points up to a pressing and urgent need for research studies to provide basic information which can be used as a guide to the future development and application of such formulations.

At the present time, the effects of many formulations are not fully known or understood.

Your committee believes this Congress should set in motion a research program in this all-important field.

This legislation carries no appropriation with it.

Mr. CURTIS. Mr. President, will the Senator from Washington yield?

Mr. MAGNUSON. I yield.

Mr. CURTIS. Does the bill provide for a new program, or the continuation of a program?

Mr. MAGNUSON. It is a combination of both. The Agriculture Department and the Department of the Interior have been somewhat concerned for many years in their research as to the effect of insecticides on crops and on fish and wildlife. The departments want authority to have a separate study made in this field.

Mr. CURTIS. Does the bill have the support of the full committee?

Mr. MAGNUSON. Yes. It was unanimously reported.

Mr. CURTIS. How about the Department?

Mr. MAGNUSON. It is a departmental bill. It was introduced at the request of the Department.

Mr. CURTIS. I thank the Senator. The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 2447) was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to authorize and direct the Secretary of the Interior to undertake continuing studies of the effects of insecticides, herbicides, fungicides and other pesticides, upon fish and wildlife for the purpose of preventing losses of those invaluable natural resources following application of these materials and to provide basic data on the various chemical controls so that forests, croplands, wetlands, rangelands and other lands can be sprayed with minimum losses of fish and wildlife."

FISHERIES LOAN FUND

Mr. MANSFIELD. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1395, S. 3295.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 3295) to amend the Fish and Wildlife Act of 1956 in order to increase the authorization for the fisheries loan fund established under such act.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill.

Mr. MAGNUSON. Mr. President, this also is a bill which received the unanimous approval of the Committee on Interstate and Foreign Commerce. All it does is to increase the fisheries loan fund authorization. Last year Congress enacted a general omnibus fisheries law which provided certain loan funds. There was provided only a small amount in the revolving fund. The law has been very acceptable to fishermen as it enables them to make small loans with which to buy gear and make repairs, but the funds will be exhausted as of this fishing year. The bill merely adds money to the fund.

I ask unanimous consent that extracts from the committee report be printed in the RECORD at this point.

There being no objection, the extracts from the report (No. 1373) were ordered to be printed in the RECORD, as follows:

The purpose of the bill is to increase from \$10 million to \$20 million the fisheries loan fund which is used by the Bureau of Commercial Fisheries to make loans to stimulate the development of a strong, prosperous, and thriving fisheries and fish-processing industry.

THE FISHERIES LOAN FUND

The fisheries loan fund was authorized by section 4 of the Fish and Wildlife Act of 1956. A \$10 million revolving fund was established for financing and refinancing operations, maintenance, repairs, replacement, and equipment of fishing vessels and

fishing gear and for research into the basic problems of fisheries. The minimum interest rate was set at 3 percent and the maximum term of a loan was 10 years. The regulations adopted under a provision of this act provide an interest rate of 5 percent.

The loan fund fills a real need for fishermen having good collateral but who need a longer repayment period than commercial bankers are prepared to grant. On such short-term loans, as granted by private lenders, the payments on the mortgage are so large that they do not have funds left for proper maintenance and their vessel deteriorates rapidly. Before passage of the act the industry had attempted to qualify for loans from the Small Business Administration, but applications were declined on the bases of (a) lack of reasonable assurance of repayment of the loans, and (b) insufficient collateral.

In the operation of the fisheries-loan program every effort has been made to see that the Government is properly protected and that losses will be held to a minimum. Each loan is reviewed, with past records and future prospects being taken into account when studying the ability of the applicant to repay the loan. Unless there is an unexpected downward trend in a segment of the fishing industry, losses are not expected to be substantial.

All applications are investigated by a representative of the Bureau of Commercial Fisheries from a technical viewpoint. On applications over \$5,000, the Small Business Administration conducts a financial investigation and on applications of \$5,000 or less a similar investigation is conducted by the Bureau of Commercial Fisheries. The results of these investigations are reviewed by specialists in the Bureau's central office and a recommendation for acceptance or decline prepared. After review by the Office of Solicitor of the Department a final decision is made by the Commissioner of Fish and Wildlife for loans of \$50,000 and under and by the Assistant Secretary for Fish and Wildlife on loans over \$50,000.

Authorization for approved loans are sent to the Small Business Administration for closure and disbursement. They also handle the collection and servicing of the loans. They are utilized as they have a complete organization for this type of work.

Status of the fisheries loan fund as of Feb. 28, 1958

	Number	Value
Applications received.....	386	\$14,167,312
Applications withdrawn.....	21	1,425,304
Loans approved.....	203	5,268,887
Loans canceled after approval.....	23	506,976
Applications declined:		
Ineligible.....	29	446,850
Other reasons.....	66	2,057,913
Applications deferred at applicant's request.....	3	1,710,000
Applications being processed.....	64	3,258,358
Funds available to cover applications being processed, deferred or additional applications.....		4,909,939

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield.

Mr. CURTIS. I should like to ask the chairman of the Committee on Interstate and Foreign Commerce if he knows of any opposition to this measure.

Mr. MAGNUSON. I know of none. It was unanimously reported by the committee.

Mr. CURTIS. Is the Department supporting the bill?

Mr. MAGNUSON. The Department supported the bill. This bill also was introduced at the request of the Department.

The PRESIDING OFFICER. The bill is open to amendment.

If there be no amendment to be offered, the question is on the engrossment and third reading of the bill.

The bill (S. 3295) was ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted etc., That subsection (c) of section 4 of the Fish and Wildlife Act of 1956 (70 Stat. 1121) is amended by striking out "\$10,000,000" and inserting in lieu thereof "\$20,000,000".

TELEVISION FACILITIES IN PUBLIC SCHOOLS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 1668, S. 2119.

For the benefit of the Senate, I announce that, to my knowledge, this is the last bill which will be considered today.

The PRESIDING OFFICER. The bill will be stated by title.

The CHIEF CLERK. A bill (S. 2119) to expediate the utilization of television facilities in our public schools and colleges, and in adult training programs.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Interstate and Foreign Commerce, with amendments on page 1, line 4, after the word "States", to insert "and certain organization therein"; in line 7, after the word "this", to strike out "section" and insert "act"; after line 8, to strike out:

Sec. 2. Any State having, directly or indirectly, secured such authorization as may be necessary under the provisions of the Federal Communications Act for the establishment or improvement of television broadcasting facilities may receive a grant, as authorized in this section, to cover the cost of such establishment or improvement by—

(a) making application therefor in such form as is prescribed by the United States Commissioner of Education; and

(b) providing assurance satisfactory to the Commissioner of Education—

(1) that such State will provide for the operation and maintenance expenses of such facilities;

(2) that the operation of such facilities will be under the control of the State agency or officer primarily responsible for the State supervision of public elementary and secondary schools; and

(3) that such facilities will be used only for educational purposes.

And, in lieu thereof, to insert:

Sec. 2. Any State agency or officer, or organization in a State, described in clause (b) (2) of this section, which is establishing or improving television broadcasting facilities, may receive a grant as authorized in this act to cover the cost of such establishment or improvement by—

(a) making application therefor in such form as is prescribed by the United States Commissioner of Education; and

(b) providing assurance satisfactory to the Commissioner of Education—

(1) that the necessary funds to operate and maintain such facilities will be available;

(2) that the operation of such facilities will be available;

(2) that the operation of such facilities will be under the control of (a) the State agency or officer primarily responsible for the State supervision of public elementary and secondary schools, (b) a nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational television broadcasting, (c) a duly constituted State educational television commission, or (d) a State-controlled college or university; and

(3) that such facilities will be used only for educational purposes.

On page 3, line 16, after the word "State", to insert "agency or officer or an organization"; in line 19, after the word "such", to strike out "State" and insert "agency, officer, or organization"; in line 22, after the word "State", to insert "agency or officer or an organization"; in line 24, after the word "this", to strike out "section" and insert "act"; on page 4, line 1, after the word "grants", to strike out "to" and insert "for television broadcasting facilities in"; in line 3, after the word "this", to strike out "section" and insert "act"; in line 6, after the word "term", to strike out "establishment or improvement of" and insert "establishing or improving"; and in line 12, after the word "apparatus", to insert a comma and "and the term 'State' means the several States, the District of Columbia, and the Territories of Alaska and Hawaii"; so as to make the bill read:

Be it enacted, etc., That there is hereby authorized to be appropriated such amounts as may be necessary to assist the States and certain organizations therein to establish or improve television broadcasting for educational purposes, in accordance with the provisions of this act, by providing for the establishment and improvement of television broadcasting facilities.

Sec. 2. Any State agency or officer, or organization in a State, described in clause (b) (2) of this section, which is establishing or improving television broadcasting facilities, may receive a grant as authorized in this act to cover the cost of such establishment or improvement by—

(a) making application therefor in such form as is prescribed by the United States Commissioner of Education; and

(b) providing assurance satisfactory to the Commissioner of Education—

(1) that the necessary funds to operate and maintain such facilities will be available;

(2) that the operation of such facilities will be under the control of (a) the State agency or officer primarily responsible for the State supervision of public elementary and secondary schools, (b) a nonprofit foundation, corporation, or association organized primarily to engage in or encourage educational television broadcasting, (c) a duly constituted State educational television commission, or (d) a State-controlled college or university; and

(3) that such facilities will be used only for educational purposes.

Sec. 3. Upon determining that a State agency or officer or an organization has satisfied the requirements of section 2 of this act, the Commissioner of Education is authorized to make a grant to such agency, officer, or organization in such amount as is determined by the Commissioner to be reasonable and necessary to cover the cost of such establishment or improvement of facilities. A State agency or officer or an organization may receive one or more grants under the provisions of this act, but the total amount of such grants for television broadcasting facilities in any State shall not exceed \$1 million. Such grants shall be made out of funds appropriated for

the purposes of this act, and may be made in such installments as the Commissioner deems appropriate.

Sec. 4. As used in this act the term "establishing or improving television broadcasting facilities" means the acquisition and installation of apparatus necessary for television (including closed circuit television) broadcasting or the improvement of television broadcasting, and does not include the construction or repair of structures to house such apparatus, and the term "State" means the several States, the District of Columbia, and the Territories of Alaska and Hawaii.

Sec. 5. The Federal Communications Commission is authorized to provide such assistance in carrying out the provisions of this act as may be requested by the Commissioner of Education.

Sec. 6. Nothing in this act shall be deemed (a) to give the Commissioner of Education any control over television broadcasting, or (b) to amend any provision of, or requirement under, the Federal Communications Act.

Mr. MAGNUSON. Mr. President, I am sure the Senator from New Jersey [Mr. SMITH], who has been so deeply interested in education all of his life, and in matters pertaining to education, will bear with the Senator from Ohio [Mr. BRICKER] and me for a moment.

I am sure the Senator from Ohio, I, and other members of the committee, could spend 2 hours talking about the almost amazing testimony we heard, in the consideration of the bill, with reference to the use of television for educational purposes for primary and higher schools, and for the use of the general public.

Some years ago the Federal Communications Commission wisely set aside certain very valuable and important channels in the B band and in the U band for this use. In many cases the State legislatures failed to act, or the communities were estopped from taking appropriate action because they could not get money for the purpose. The Senator from Ohio and I and the full committee were pleasantly surprised to learn what is being done in this field. The State of Ohio is one of the pioneers in education by use of television. The distinguished Senator from Ohio is one of the trustees of the educational television channel used in the Ohio State University.

The use of television for education has been successful in Alabama, the city of New York, the city of Detroit, and the city of St. Louis.

The committee was unanimous in reporting the bill. A distinguished group of educators, as well as persons who operate television stations, testified before the committee.

I think this is one of the most important bills this Congress will pass for the future of education, particularly in this fast-moving world of physics and science, in which subjects teachers are hard to find, and in which there can be some sort of mass education by use of the new and wondrous means of television.

The committee felt that because the licenses which are issued are Federal licenses and subject to Federal jurisdiction, it was perfectly within its province to report the bill, and that States rights were not being violated. The bill has the

support of boards of education. The Commissioner of Education of the Department of Health, Education, and Welfare, this week held a conference on this matter with educators from all over the country and with representatives of parent-teacher associations.

Mr. President, I ask that excerpts from the report be printed in the *Record*, because of the importance of this measure.

There being no objection, the excerpts from the report (No. 1638) were ordered to be printed in the *Record*, as follows:

PURPOSE OF LEGISLATION

The purpose of this legislation is intended to expedite the use of television in our public schools and colleges and adult training programs in the general States and Territories. S. 2119, as amended, would authorize the Commissioner of Education of the Department of Health, Education, and Welfare, to make a grant to an organization or State which has secured the necessary authorization under the provisions of the Federal Communications Act for the establishment or improvement of television facilities, and which satisfies the Commissioner of Education:

1. That the organization or State would provide for the operation and maintenance expense of such television facilities;

2. That the operation of such facilities will be under the control of—

(a) State agencies or officers primarily responsible for State supervision of public elementary and secondary schools; or

(b) A nonprofit foundation, corporation or association organized primarily to engage in, or encourage educational television broadcasting;

(c) The State educational television commission appointed by the Governor; or

(d) A State college, university, or teachers college.

3. That such facilities would be used only for educational purposes. Grants may be made to more than one organization in any one State but the total of such grants to such organization in one State shall not exceed \$1 million. Grants made under the provisions of this bill cover the acquisition and installation of apparatus necessary for television broadcasting (including closed circuit television) or the improvement of television broadcasting but does not include the construction or repair of structures to house such apparatus.

GENERAL STATEMENT

When the FCC issued the television allocations plan on April 14, 1952 (sixth report and order), it set aside 242 television channels (now 256) for the exclusive use of noncommercial educational stations. There are a total of 671 VHF channels in the Commission's allocation plan of which 85 or 12.7 percent are reserved for noncommercial educational purposes; of the 1,519 UHF channels, 171 or 11.3 percent are reserved for noncommercial educational purposes.

Six years have passed since the FCC reserved approximately 12 percent of all television channels in the United States for noncommercial educational use. In that period only 31 educational stations, located from Massachusetts to California, and from Minnesota to Texas, have been constructed and are today serving an area with a combined area of more than 50 million people.

Vast numbers of problems and obstacles have beset educators and laymen throughout the United States in their efforts to activate the channels reserved for education. It has been necessary in most local situations to organize many different segments of a community—civic, cultural, and educational—to direct the activities of these many groups toward a common goal. In many cases the problems of fund raising have seemed almost insurmountable in spite of the Herculean ef-

forts on the part of many of our leading educators, public servants, and civic leaders.

Despite the strides which the educators have made in establishing educational stations in the United States, only a small part of the total potential has been achieved. A total of 256 educational reservations have been made by the FCC and as pointed out above, only 31 stations are on the air. The failure of the educators to use these channels is not the result of lack of interest, desire, planning, or zeal on their part. The largest problem which faces the educators in using television is lack of money. Moreover, this lack of money is concerned mainly with the lack of funds to pay for the basic installation of the TV facilities and stations. Experience has demonstrated that once a television station has been built, State legislatures, local educational systems, and local communities at large have raised the funds to produce the programs over these stations. The educators have shown themselves to be budget-minded people, and with meager operating funds, have produced outstanding program service. The problem which faces the American educator is to secure the basic funds to build the station in the first place.

It is a credit to those people who have labored in this field to look back and view the remarkable progress that has been made in establishing the 31 stations that are now serving more than 50 million people. Current research and experimentation as well as local and regional planning, which has only scratched the educational surface, reveal unlimited potentialities for the future in educational television.

The tremendous strides made by the three-station network operation in Alabama; the plans for similar statewide networks in Oklahoma, Florida, and Georgia; the impressive record submitted by Dr. William Friday, president of the Consolidated University of North Carolina, disclosed a most eloquent picture of the service being rendered to the people of the State of North Carolina and the crying need for expansion of the service; the bold planning being studied by the southern regional board organized under an interstate compact by the legislatures of 16 Southern States to link, through the use of microwave systems, classrooms on the campuses of some 300 of the 4-year colleges and universities in the 16 Southern States; the remarkable record compiled by Ohio State University in its operation of a UHF channel in Columbus, Ohio, in a predominantly VHF market; and the ready acceptance of the educational channel in Cincinnati, Ohio, are merely indications of the potential, the acceptance, as well as the opportunities that are being made available in the educational television field.

The Congress has heard many times about the existing and growing problems of public education. The record is replete with statements made by prominent educators about the serious shortage of teachers and buildings and that each of these shortages grows worse with each passing day. The use of television facilities in our public schools and colleges will strike directly at these existing shortages. While this medium cannot alone eliminate them, the extent of the contribution toward the solution of these problems which television can make is tremendous.

Today there are 37 million students in our public-school population. By 1965 that school population will have increased to 41 million.

With a constantly declining number of our adults entering the teaching profession, it becomes essential that proper steps be taken immediately to meet the needs of the increasing school population. Already school standards are declining. The quality of education furnished our children, in the opinion of your committee, is as important

as any single responsibility that faces Congress today.

One of the significant advantages of educational television is the ability of this medium to make the talents of the most effective teachers available to large numbers of students. It has proven itself invaluable as an effective instrument through which high-quality formal instruction may be offered to large numbers of students.

The committee was impressed by the testimony concerning the Hagerstown, Md., experiment where a closed circuit educational system is used. At the moment 23 schools and 12,000 students, out of a total of 48 schools and 18,000 students, are interconnected by this system.

Dr. William Brish, superintendent of schools at Hagerstown, who is in charge of this program, although reluctant to make any overall claims about the results flowing from the Hagerstown operation was enthusiastic about the potential of this medium. He said, among other things:

"1. The use of television provides a situation which encourages pupils to concentrate attention on a selected area at close range. The fact that this attention is almost automatic may be due to several conditions which are peculiar to television. This medium provides each pupil with a framed reference for viewing as well as an eye-to-eye contact with the teacher. It implements the development of good habits of observing and listening. Television magnifies objects in a clear, accurate, and telling way. In addition the television teachers have time to prepare a lesson that is clear, interesting and stimulating.

"2. The use of television provides an opportunity to redeploy the efforts and energies of teachers and improve the quality of the instructional program. One teacher teaching from a television studio can do a superior job of exploring, preparing, organizing, and communicating subject matter content for boys and girls. At the same time another teacher in the classroom can advantageously work with pupils to help them adopt, adapt, integrate, apply, and use subject matter in such a way that their educational experience will enable them to more nearly approach their maximum potential development.

"3. In situations where television instruction is used it is possible for teachers to give more attention to the very important matter of lesson planning and presentation. In the typical elementary or secondary school situation where a teacher works directly with boys and girls for approximately 7 hours daily, little time is left for class preparation. By a division of labor the teacher who does the direct instruction by television can have ample time to prepare presentations that are stimulating and challenging. These presentations can be made available to hundreds of classroom teachers and pupils at the same time. This opportunity to redeploy the efforts of teachers gives each teacher a chance to develop skills peculiar to his abilities and interests.

"4. It is possible, by means of television, to broaden and enrich the program of education without unduly increasing the expenditure for instruction. Evidence of this fact is found in our system where music and art are being satisfactorily taught in the elementary grades. In September of 1958, when the closed circuit will include all elementary pupils in the public schools of the country, 3.4 teachers will teach lessons from television studios that would otherwise require 33 teachers.

"5. The use of television enables resource people in the community to be brought to all pupils in the system. For example, in a recent guidance telecast a highly skilled engineer in the field of metallurgy was placed in contact with all interested high-school students. On another occasion a florist, who

is actually an artist in flower arrangements, was brought to 1,200 boys and girls at one time. This use of community resources which would be impossible under the usual instructional organization, goes on continuously."

Dr. Alexander J. Stoddard is one of our most experienced educators. He has spent 47 years in the educational field serving as superintendent of schools in Denver, Los Angeles, and Philadelphia, and presently is consultant for the Fund for Advancement of Education. In his testimony on this legislation, he stated:

"I am just as confident as I can be that unless we find some way to break the bounds that are circumscribing the processes of education in America, the schools in this country will not be able to prepare its people to live adequately in the day ahead. We are dealing with curriculum experiences that are beyond the capabilities involved with textbooks and word of mouth, and so on. Television has come as a powerful means of breaking those bounds."

Education is a means through which our country achieved its highest objectives and dreams. With ever-increasing complexities in technical progress, a lack of education for all people, or inferior education for a substantial number threatens the very perpetuation of our country. The use of educational television will meet these needs with the least cost and in the most expeditious manner. While educational television is in its bare infancy, we are not without knowledge of its capabilities. One educational leader has put its potential this way. Dr. Thomas Clark Pollock, of New York University, has said:

"It now seems clear, however, that television offers the greatest opportunity for the advancement of education since the introduction of printing by movable type."

Henry F. Chadeyne, executive director of the St. Louis Educational Television Commission, operator of educational television station KECT, said:

"By using our educational television stations we can afford to bring the greatest teachers of the country to give the lecture portion of college courses by television. The student can receive his instruction before his own television set in his own living room. With a great television teacher, we can come close to capturing that ideal of education of a teacher on one end of a log and a boy on the other."

Television is a powerful means of communications. Its message may be transmitted live or by the use of training film. In addition to black and white transmission, the added educational advantages of color transmissions have been conspicuously proven, particularly in closeup medical and laboratory work. Television makes it possible for our best available teachers to instruct very large numbers of students. One of the first organizations to use educational television has been our Armed Forces. All of the evidence available on the effectiveness of the Armed Forces training programs are highly favorable.

Dr. C. R. Carpenter, director of academic services, Pennsylvania State University, stated in testifying in support of this legislation:

"Television as a means of instruction has gained a necessary acceptance by faculty, students, and administration for its continued use and development at Pennsylvania State. Eloquent evidence on this point is that the television projects have continued and have been progressively expanded for 4 years."

Your committee was impressed by the forceful testimony of Dr. Carpenter, particularly with the following statement:

"As an Air Force Reserve officer, I have studied for a year the economics of the Soviet Union. I, as an educator, have been alert to educational developments in the

Soviet I suggest that it would be technically possible and feasible in terms of conditions that now exist, or may soon exist, for the Soviet Union to do the following:

"1. Blanket one-third to one-half of its territory and that of satellite nations with educational television systems;

"2. Reach two-thirds to three-fourths of the population of the region covered;

"3. Employ as many channels as necessary, for as many hours per day as needed, to accomplish their educational objectives;

"4. Develop the system sketched during the next 3 to 5 years."

S. 2119 is a modest and simple proposal but with tremendous, far-reaching effect on the general public. As in the case of any program, especially when it is just started, the greatest obstacle is the lack of financial support. It is this problem which is now plaguing the efforts of those who are working so hard to put more educational television stations on the air because they know the importance of this new technique of disseminating information.

The Federal Government can serve this cause most effectively by making available some funds which can assist in the development of this program. Without these funds few States will be able to launch sound and adequate programs to utilize the television channels now reserved for educational purposes.

S. 2119 only provides grants to qualified groups or organizations and limits such grants to \$1 million to each State and Territory on the condition that the group or State agrees to bear the operating end and maintenance costs of the television equipment and facilities. The Federal Government would provide only the equipment needed for television broadcasting, including closed circuit television, and the group and the States must provide the buildings and the land required.

This legislation would create in a sense a Federal-State cooperative matching-fund program which would set a constructive tone in this most important field of education.

At the time when the Nation's educational program is being severely taxed by a serious teacher shortage, rapidly rising enrollments, and inadequate facilities, it is imperative that every avenue and approach be tried in order to alleviate this problem.

It is the wish of your committee that the Federal Communications Commission, in furtherance of this educational program, offer such assistance and advice as it may to the State-approved agencies which receive these Federal funds. Such assistance and advice, it is felt, will enable the States to better utilize funds. However, it is to be understood the Federal Communications Commission is not to exercise any control of funds allotted under this program.

S. 2119 will be a major step in aid of educational television. Your committee, therefore, feels this legislation is imperative.

Mr. MAGNUSON. Mr. President, I shall finish with one short statement. Enactment of the proposed legislation will merely permit very small grants-in-aid to the States, with no strings attached, or to the nonprofit institutions attempting to take the actions provided for in various communities. It will be a grant to help them with some of their equipment, so that the lagging use of the reserved channels will not cause the channels to be sought after by commercial interests. I think this will be a wise move. The far reaching effects of the bill, if enacted, will make this one of the most important bills to be passed at the present session of Congress.

Mr. BRICKER. Mr. President, will the Senator yield?

Mr. MAGNUSON. I yield to the Senator from Ohio for a statement.

Mr. BRICKER. I agree with everything said by the distinguished chairman of the committee, the Senator from Washington [Mr. MAGNUSON], and I compliment him upon his leadership in this field.

We did have a rather extensive hearing before our committee. I think it was the most inspiring hearing I have attended since I have been a Member of this body, because of the great promise which educational television holds for the people of our country. Everyone knows our future must rest upon universal education of the highest possible quality.

There was no opposition to the bill at any point. We had the benefit of the experience of many communities. One of the communities close to Washington, where an excellent development has taken place in the television field, is Hagerstown.

As the distinguished chairman of the committee said, there is great pressure from commercial interests at the present time to obtain these reserved channels. Many of us have insisted from the very beginning that the channels be held in reserve until the educational institutions are able to take them over.

Some States have been very fortunate in this regard. My State has been fortunate. Ohio has a great television station at its State university. There are 3 or 4 other stations in the State now under contemplation, some planned, and some really under construction.

I can envision a complete network of educational television, going not only into the colleges of the States of the Union, but into the high schools as well. These programs will not only go to the colleges and high schools, but into the homes of the people, for those who want adult educational programs.

Much of the work will be devoted to adult education in various communities. Alabama had an extremely fine program. It so happened that credit was given to a man from my State, who went to Alabama to make a presentation to the legislature, which presentation brought enthusiasm for this activity. Other States could do the same.

This bill will provide only a small impetus and some financial aid to the various States, to permit them to do what has been done in Alabama and many other communities throughout the country.

I am most heartily in favor of the bill, indeed, I am extremely enthusiastic about it. I am happy to join the chairman of the committee in sponsoring the bill.

The PRESIDING OFFICER. The question is on agreeing to the committee amendments.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the amendments be agreed to en bloc.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and the committee amendments are agreed to en bloc.

The question now is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. MAGNUSON. I thank the Senator from New Jersey.

ORDER FOR ADJOURNMENT TO MONDAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate concludes its business today, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I thank the Senator from New Jersey for his great patience and understanding.

The PRESIDING OFFICER. The Senator from New Jersey has the floor.

Mr. MORTON. Mr. President, will the Senator yield?

Mr. SMITH of New Jersey. I yield to the Senator from Kentucky.

THE EFFECTS OF CIGARETTE SMOKING

Mr. MORTON. Mr. President, during recent weeks there has been a resumption of the complicated discussion about whether the smoking of tobacco, particularly cigarettes, causes human lung cancer. Among medical men and other scientists, the subject of smoking in relation to health is far from settled. It has, of course, attracted a great deal of publicity, much of which seems to be more sensational than realistic.

There exists a large body of scientific literature and comment which shows that many doctors and scientists seriously doubt the charge that cigarette smoking causes lung cancer.

These men of science and medicine have made their comments in professional publications, at medical meetings, and in interviews with the press. They have reported on their own experimental work or have presented their own analyses and critiques of existing studies whose authors allege that tobacco is harmful to health. They raise penetrating questions into the validity of the anti-tobacco charges and offer objective information and clear logic that oppose the charges.

Mr. President, the findings and comments of these doctors and scientists are significant and important. So that they may be readily available to anyone interested in the subject, I ask unanimous consent that some be printed in the Record. The men I cite are:

First. Dr. Joseph Berkson, head, section of biometry and medical statistics, Mayo Clinic, Rochester, Minn.

Second. Sir Ronald Fisher, Arthur Balfour professor of genetics, Cambridge University, England, and until recently visiting professor at Michigan State University.

Third. Dr. Milton B. Rosenblatt, associate professor of medicine, New York Medical College, and coauthor of a medical text on lung cancer.

Fourth. Dr. Frank H. J. Figge, University of Maryland.

Fifth. Fred Bock, cancer research scientist, Roswell Park Memorial Institute, Buffalo, N. Y.

Sixth. Dr. Maurice S. Segal, director, lung station, Tufts University Medical School, Boston, Mass.

There being no objection, the findings and comments were ordered to be printed in the Record, as follows:

Dr. Berkson, in an article titled "Smoking and Lung Cancer: Some Observations on Two Recent Reports," published in the March 1958 issue of the American Statistical Association Journal:

"The existence in the data of both these prospective studies, of association between smoking and death rate from many categories of cause of death other than lung cancer, and indeed chiefly with these other categories, raises a serious challenge to the explanation that the statistical association observed between smoking and lung cancer has a direct causal basis. Some physical explanation must be found for the other associations, unless statistics is to be exposed to the charge of scientific irresponsibility.¹ It would assist materially in understanding the analysis of Doll and Hill, and that of Hammond and Horn, if we had answers, as clear and unequivocal as the complexity of the problem permits, to the following questions:

"1. Is their explanation of the association of smoking with lung cancer, at least for a large proportion of the estimated excess deaths among smokers from this cause, about as follows? Cigarette smoke contains carcinogenic substances that, by contact with the bronchial and pulmonary tissues over a sufficient long time, induce changes resulting in cancer.

"2. Is their explanation for the association shown with cancers other than lung cancer, including cancer of such sites as the colon, stomach and pancreas, also that the relation is causal? If so, what in general terms, is the mechanism of this causation?

"3. Do they think that the association with the death rate from coronary heart disease, which has the largest number of estimated excess deaths associated with smoking or heavy smoking of any disease category, is causal? If not, what is their explanation of the association?

"4. Do they have any explanation of the association of smoking with the death rate for the miscellaneous category of diseases, which excludes cancer, and cardiovascular disease and noncancerous respiratory disease?

"For myself, I find it quite incredible that smoking should cause all these diseases. It appears to me that some other explanation must be formulated for the multiple statistical associations found with so wide a variety of categories of disease. And if we are not crassly to violate the principle of Occam's razor, we should not attribute to each separate association a radically different explanation. . . .

"Firm opinions have been published to the effect that, on the basis of accumulated evidence, it is scientifically established beyond reasonable doubt, that smoking is an important cause of cancer of the lung. I am a member of a committee that has sponsored some of the most important of the published studies and, owing to this circumstance, have felt the responsibility to make a fairly careful study of this evidence. My own conclusions are quite different.

"In the first place, virtually all the evidence is obtained from statistical studies,

¹ Cancer is a biologic, not a statistical, problem. Statistics can soundly play an ancillary role in its elucidation. But if biologists permit statisticians to become the arbiters of biologic questions, scientific disaster is inevitable.

in the ordinary connotation of the term 'statistical.' We are not dealing with the results of laboratory experiments, or even with placebo-controlled clinical trials. Nor is the conclusion based on a synthesis, by a 'chain of reasoning,' of relevant scientific knowledge from many different sources. Such statistical evidence, for a question like the identification of a cause of a disease, at best, can be only presumptive. But even as statistical investigations, I do not find the published studies so sound or convincing as they apparently have widely been assumed to be. In the studies that have been called retrospective as well as in those called prospective, I find questionable and even paradoxical elements."

Sir Ronald Fisher, in an article titled "Cigarettes, Cancer, and Statistics," appearing in the spring 1958 issue of the Centennial Review of Arts and Science, published by Michigan State University:

"Seven or eight years ago, those of us interested in such things in England heard of a rather remarkable piece of research carried out by Dr. Bradford Hill and his colleagues of the London School of Hygiene. We heard, indeed, that it was thought that he had made a remarkable discovery to the effect that smoking was an important cause of lung cancer. Dr. Bradford Hill was a well-known Fellow of the Royal Statistical Society, a member of Council, and a past president—a man of great modesty and transparent honesty. Most of us thought at that time, on hearing the nature of the evidence, which I hope to make clear a little later, that a good prima facie case had been made for further investigation. But time has passed, and although further investigation, in a sense, has taken place, it has consisted very largely of the repetition of observations of the same kind as those which Hill and his colleagues called attention to several years ago. I read a recent article to the effect that 19 different investigations in different parts of the world had all concurred in confirming Dr. Hill's findings. I think they had concurred, but I think they were mere repetitions of evidence of the same kind, and it is necessary to try to examine whether that kind is sufficient for any scientific conclusion.

"The need for such scrutiny was brought home to me very forcibly about a year ago in an annotation published by the British Medical Association's Journal, leading up to the almost shrill conclusion that it was necessary that every device of modern publicity should be employed to bring home to the world at large this terrible danger. . . .

"What is not quite so much the work of a good citizen is to plant fear in the minds of perhaps a hundred million smokers throughout the world—to plant it with the aid of all the means of modern publicity backed by public money, without knowing for certain that they have anything to be afraid of in the particular habit against which the propaganda is to be directed. . . .

"Before one interferes with the peace of mind and habits of others, it seems to me that the scientific evidence—the exact weight of the evidence free from emotion—should be rather carefully examined. I may say, I am not alone in this. I have been interested to note that leading statisticians in this country also—and I contact a good many statisticians both in my own country and here—are exceedingly skeptical of the claim that decisive evidence has been obtained. . . .

"Now, Doll and Hill, in their first inquiry—the one that I've gone over approximately—did include in their questionnaire, which was put both to the cancer patients and to the patients from other diseases, the question: 'Do you inhale?' And the result came out that there were fewer inhalers among the cancer patients than among the noncancer patients. That, I think, is an exceedingly

important finding. I don't think Hill and Doll thought it an important finding. They said that probably the patients didn't understand what inhaling meant. And what makes it far more exasperating, when they put into effect an exceedingly important research, based on the habits of the medical profession, by asking about 60,000 doctors in Great Britain to register their smoking habits, and about 40,000 of them did so cooperatively, I am sorry to say that the question about inhaling was not in that questionnaire. I suppose the subject of inhaling had become distasteful to the research workers, and they just wanted to hear as little about it as possible. But it is serious because the doctors could have known whether they were inhalers or not; they could have known what the word meant; perhaps they would have consulted each other sufficiently to lay down a definition which the rest of us could understand. At any rate, there would have been no alibi if the question had been put to a body of 40,000 physicians.

"So, our evidence about inhaling is embarrassing and difficult. There is no doubt that inhaling is more common among heavy cigarette smokers than among light cigarette smokers in Great Britain, where inhaling is not nearly a universal practice. There is no doubt that cancer is commoner among the heavy cigarette smokers than among the light cigarette smokers. Consequently, if inhaling had no effect whatever, you would expect to find more inhalers among the cancer patients than among the noncancer patients. There would be an indirect correlation through the association of both with the quantity smoked. Now, of course, in what was reported everything was thrown together; and yet, in the aggregate data, it appeared that the cancer patients had the fewer inhalers than the noncancer patients. It would look as though, if one could make the inquiry by comparing people who smoke the same number of cigarettes, there would be a negative association between cancer and inhaling. It seems to me the world ought to know the answer to that question. * * *

"I have criticized the overconfidence shown at least in public utterances or published reports of anonymous committees on this subject, and I do not suppose that Bradford Hill, at least, is at all to blame for that overconfidence. The worst effect of that overconfidence, so far, is that it seems to have held back the various teams of workers. They are well supplied with money; the Medical Research Council is not stinting money on cancer research, and the American Cancer Society is obviously exceedingly well supplied with money. And yet, I think nothing but overconfidence that they had found the solution, that they had the game in the bag, could have prevented them from following up some of the other lines of inquiry which are much needed. I have said nothing, for example, so far of the very striking fact that at the same level of cigarette smoking, dwellers in towns have considerably more lung cancer than dwellers in the country. I don't know any extensive piece of research which has been set on foot to get to the bottom of that important difference.

"The desire to make a strong sensation, to bring home the terrible danger to these passive millions, has led writers to stress the very alarming fact that lung cancer is a disease increasing, one of the few important diseases that are increasing in frequency. It is not so important in the United States as it is in England, but it is an important cause of death in both countries. It has been increasing over the last 50 years. It is frightening. But it shouldn't be used to frighten people.

"The change over recent decades gives not the least evidence of being due to increasing consumption of tobacco. We can't tell much about the absolute magnitude of this secular change. It is certain that

radiology has facilitated the detection of lung cancer enormously, that radiological apparatus and radiologists are much more abundantly available for our populations than they formerly were. I do not know that there are not remote and secluded communities where patients with lung cancer are not looked at by radiologists, but that proportion of our populations must be still decreasing. Again, the attention of the medical profession has been forcibly drawn to lung cancer, and it invariably happens that when the attention of the medical profession is drawn to any disease, that disease begins to take up more space in the official reports, it is more often seen and more often diagnosed with confidence; death certificates more often include that particular disease. Consequently it is not easy to say how much of the increase is real. I think part of it must be real, because there's no doubt that the populations concerned have been enduring or enjoying a very considerable increase in urbanization. The big metropolitan cities have been growing rapidly. In England, smaller towns have been running together into extensive masses called conurbations, like those of Clydeside or Merseyside or the Birmingham region. Even in the country, even in what used to be remote villages, there are motorbuses regularly which take the young men and women into cinemas perhaps 6 or 8 miles away. You might say that the whole population during the last 20, 30, 40 years has been becoming steadily urbanized, and as the urban rate for lung cancer is considerably greater than the rural rate, in my country as in yours, we must recognize here the possibility of one real cause of the increase in lung cancer. There may be others.

"But the only good comparison we can make in respect of the time-change is that between men and women. The same apparatus, the same radiologists, the same physicians diagnose both men and women. Whatever effects improved apparatus may have, whatever effects an increased attention to the disease may have, will be the same in the two sexes. Whatever effects urbanization may have you would think might be the same in the two sexes. Consequently, we can, at least, inquire whether the rate of increase of lung cancer in men is the same, or greater, or less, than the rate of increase of lung cancer in women. For it is certainly true, I think in both our countries, that whereas the smoking habits of men have not changed very dramatically over the last 50 years, yet the smoking habits of women have changed a very great deal. And on making that comparison, it appears that lung cancer is increasing considerably more rapidly—absolutely and relatively—in men than it is in women, whereas the habit of smoking has certainly increased much more extensively in women than in men. There is, in fact, no reasonable ground at all to associate the secular increase in lung cancer as has been done with dramatic eloquence, I suppose as part of the campaign of bringing home the terrible danger, just as though it was impossible that statistical methods of inquiry should supply a means of checking that very rash assumption.

"And so I should like to see those two things done, one immediately and quickly: an inquiry into the effects of inhaling, and secondly, a more difficult but certainly a possible task of seeing to what extent different smoking classes were genotypically conditioned. And I believe that only overconfidence, if it is allowed to have its way, could prevent those further inquiries from being made."

Dr. Rosenblatt, in an article entitled "Cancer of the Lung: Facts and Fallacies," appearing in the February 1958 issue of the *Journal of the Kentucky State Medical Association*:

"It is a part of human frailty to assume that what we did not recognize in an earlier

decade, did not exist. Proponents of the smoking-lung cancer theory point with conviction to the earlier United States vital statistics and hospital autopsy records which show a paucity of lung cancer cases. However, they omit the facts that the death registration area was first established in this country in 1900, that there was originally no specific category in which to record a case of lung cancer, and that the earliest data was published by Gover, in 1939, in a special study for the United States Public Health Service. * * *

"With approximately 30,000 new cases and 25,000 deaths from lung cancer annually, no one can deny the increased prevalence of the disease. However, the question to be answered is whether this increase is real and due to carcinogenic exposure, or whether it is only apparent and due to explicable factors. If the latter view is correct, the attempts to find an alleged carcinogenic factor, such as tobacco, are fruitless. As an active observer in the field of pulmonary diseases for more than 25 years, it is my belief that one of the most important factors in the increased prevalence of lung cancer is greater awareness of the disease and the availability of the diagnostic tools with which to confirm diagnosis. It is unrealistic to compare incidence statistics of the present with those of three decades ago, when the means to establish a diagnosis were not available. Diagnostic roentgenology, bronchoscopy, tissue biopsy, exfoliative cytology, and exploratory thoracotomy are investigative measures of recent vintage. According to Smithers, there were 29 bronchoscopies at the Brompton Hospital between 1926 and 1929 whereas now the number is well over 800 each year. It has been repeatedly pointed out that when a disease becomes diagnostically accessible, its incidence automatically increases. * * *

"A comparison of lung cancer with upper respiratory cancer is of considerable interest inasmuch as both tracts are equally subjected to exposure with the alleged carcinogen, tobacco. In contrast to the increased incidence of lung cancer, there has been no dramatic rise in incidence in other organs exposed to tobacco smoke. Malignant tumors of the nasopharynx and larynx are of epithelial origin and if tobacco is a potent carcinogen for bronchial mucosa it should be equally effective in the upper respiratory epithelium with which it is in contact in greater concentration. However, no statistical association has been demonstrated between an increased incidence of upper respiratory cancer and increased consumption of cigarettes. * * *

"The second major factor responsible for the increased incidence is the age distribution of lung cancer. This is a disease of late adult life. While rare cases have been encountered in young adults and even in children, the vast majority of cases are found in the fifth, sixth, and seventh decades. It is in this age group that the increased lung cancer has chiefly occurred. The average life span of the population in the United States has increased steadily and is now well past 65 years. In the early years of this century there were but 4 million people over 60 years whereas now there are over 14 million. The prevalence of lung cancer has increased because there are more people reaching the cancer age. There has been no increase in cancer in the younger age groups. As the average length of life increases we must anticipate a greater number of cases. Although the total number of cases will probably increase, the statistics already show that the rate of increase is declining. * * *

"Surveys tend to arrive at conclusions sympathetic to the opinions of the observer. If the investigators believe that tobacco is harmful, the results show an association with lung cancer; if air pollution is suspected, somehow, the results point in that direction.

One observer in New Zealand found an entire different cause of lung cancer. His survey showed that the risk of contracting lung cancer was directly proportioned to the number of years the New Zealanders had previously spent in England. Smoking was abolished. The real culprit was exposure to the English environment. * * *

"Summary

"1. Cancer of the lung has been recognized for more than 150 years, antedating the popularity of cigarette smoking by more than a century.

"2. In hospitals interested in the disease, and/or with routine autopsies, there has been no real increase in lung cancer with respect to total cancers. This holds for the 19th century as well as for the 20th century.

"3. The attempt to find an etiological agent for the increase in lung cancer has been going on for half a century. At first the onus was on cigars and as cigarette consumption increased the blame gradually shifted to the latter.

"4. A statistical association does not imply a cause and effect relationship.

"5. Bronchogenic carcinoma has never been produced by tobacco or its products in any experimental animal despite the multiplicity of attempts.

"6. History has repeatedly demonstrated that whenever an inaccessible cancer becomes accessible, the incidence automatically increases. Prior to 1930, the clinical facilities for the diagnosis of lung cancer were few and far between even in thoracic disease hospitals. The perfection of diagnostic tools (exfoliative cytology, bronchoscopy, radiology, and exploratory thoracotomy) occurred within the past 25 years.

"7. Lung cancer is a disease of older age groups. There are more older people among us and more potential candidates for lung cancer. The total number of cases is increasing but the rate of increase is slowing down and will eventually be stabilized like laryngeal or other respiratory cancers in which diagnostic methods have been long established.

"8. The nasopharynx and the larynx are greatly exposed to tobacco products and if tobacco is a carcinogen for the lung, it should also act upon the upper respiratory passage. However, no statistical association has been demonstrated between increased consumption of cigarettes and increased incidence of upper respiratory cancer.

"9. The progressive increase in smoking among women over a period of many years has not led to a change in the ratio of incidence which is predominantly in favor of the male.

"10. The prevalence of lung cancer is more related to diagnostic facilities than to smoking, air pollution, or other urban factors. No matter how remote the community, the establishment of diagnostic centers inevitably results in a greater incidence of lung cancer."

Dr. Figge, as quoted in a story by Patricia McCormack, International News Service medical science editor, which appeared in the March 25, 1958, Boston Evening American:

"CANCER-SMOKE LINK DOUBTED

(By Patricia McCormack)

"BETHESDA, Md.—A leading American Cancer Society researcher said today he would not necessarily advise people to quit smoking and might even tell them to take it up.

"Coming from a longtime ACS investigator, the statement in the cancer-smoking controversy seemed startling. But Dr. Frank H. J. Figge of the University of Maryland explained:

"Too little is known about 'human susceptibility' to cancer to advise persons to give up smoking.

"Overweight persons may even be advised to take up smoking to reduce chances of developing liver or pancreatic cancer.

"Dr. Figge, reporting to writers on the society's tour of research centers told newsmen at the National Cancer Institute his conclusions were based on exhaustive studies of peculiar manlike mice—and humans.

"He said: 'I know these views are in disagreement with the statistics, but I believe individual susceptibility to cancer must be taken into account.

"A person who gives up smoking after 6 or 8 years may do himself no good at all—if he is among the 10 percent of the population susceptible to lung cancer.

"If not susceptible to lung cancer—and apparently 90 percent of the population isn't—a person can smoke till doomsday and it won't hurt."

"Dr. Figge, a professor of anatomy, does not smoke, but, he said: 'If I knew I was susceptible to liver cancer, I would smoke.'

"He isn't sure he is susceptible to liver cancer and admitted that personal knowledge about susceptibility is somewhat of a problem.

"Dr. Figge advises smoking for those with excessive weight, which, he explained, tends to predispose susceptible persons to liver and pancreatic cancer.

"Dr. Figge developed the strain of mice that behave like humans. It is believed to be the only strain of its kind in the world. The mice become fat as middle age approaches just as do humans and in the same proportions. And they tend to get thin in old age.

"What is more, without any help from scientists, they develop diseases closely resembling those of humans, including lung cancer. They get nearly as many other kinds of human-like cancers and also develop diabetes and hardening of the arteries.

"Dr. Figge's mice are believed ideal subjects in which to study naturally occurring human-like diseases. Their illnesses, developing spontaneously, closely resemble human ailments.

"The scientist did not transplant tumors or do anything to introduce the other diseases—often the case in animal research.

"To prove his point about susceptibility having a great deal to do with lung cancer, Dr. Figge cited the occurrence of this cancer in his man-like mice, adding: 'This is strange because none of these mice has ever smoked.'

Fred Bock, cancer researcher at Roswell Park Memorial Institute, as quoted in a story in the April 7, 1958, issue of Medical News:

"A significant number of mice, however, have lived long enough, in the opinion of the researchers, for lung cancer to occur if it were going to. But we have not found an increase in lung cancer among strains prone to develop it spontaneously, nor among other strains," says Fred Bock, cancer research scientist in charge of these experiments. "And we've seen nothing unusual at autopsy."

"In painting mouse backs with tobacco tar extracts, the researchers have induced the expected skin cancer, but only by applying the equivalent of 16 cartons of cigarettes for each mouse for 1 year. And some inconsistencies in findings from both experiments are leading the research group into studies on lung resistance—and skin sensitivity—to cancer in mice."

Dr. Segal, as quoted in a story in the Shreveport (La.) Times:

"LUNG SPECIALIST DISPUTES TOBACCO-CANCER THEORY

"A noted lung specialist lecturing in Shreveport yesterday refused to see a boogeyman in smoking. It doesn't even cause short breath, he said.

"Dr. Maurice S. Segal, who is director of the lung station of Tufts University Medical

School in Boston, is a nonsmoker and said he personally regards it as an offensive habit.

"But he said evidence is anything but conclusive that cigarettes cause lung cancer. Tests in his own laboratory have found lung cancer among nonsmokers, he said, and added, 'People have smoked from time immemorial. To me, proper ventilation and humidity in homes is of much more importance than questions of cigarettes.'

"Two years of laboratory tests in Boston also have shown cigarettes do not affect breathing at all, he said. Ballplayers often smoke, he noted, and so even do distance runners.

"Dr. Segal, in town to address the Southwest Allergy Forum, was talking about healthy people. Those with chronic bronchitis are not advised to smoke heavily, he said.

"He took issue with announced statistics about cigarette-bred lung cancer. 'Whatever the answer, statistical evidence is not it'; with proposed regulatory legislation. 'How can they possibly list the nicotine content on each pack of cigarettes, when each batch of tobacco is different?'; and with the testing, 'What does tar and nicotine on a mouse's back prove, except maybe that mice shouldn't smoke?'"

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. CURTIS. Mr. President, will the distinguished Senator from New Jersey yield, so that I may suggest the absence of a quorum.

The PRESIDING OFFICER. Does the Senator from New Jersey yield for that purpose?

Mr. SMITH of New Jersey. I yield for that purpose.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Without objection, it is so ordered.

Mr. SMITH of New Jersey. Mr. President, I desire to speak in support of the Mutual Security Act of 1958, which is presently under consideration by the Senate. My distinguished colleague, the senior Senator from Rhode Island [Mr. GREEN] the chairman of the Committee on Foreign Relations, in his opening address in the debate last night presented very fully and completely an outline of the need for the proposed legislation. From our side of the aisle, the Republican side, I desire this afternoon to support the bill, and point out some of the reasons for doing so.

Mr. President, it is with mixed feelings that I speak to the Senate today in support of the Mutual Security Act of 1958.

Since 1944 I have been a Member of this body. Since 1947 I have been a member of the Committee on Foreign Relations.

During these years the United States has moved from a position of eminence

among nations to a position of leadership.

The war against fascism has been won. Bipartisanship has become the guiding political philosophy in the conduct of the foreign relations of the Nation.

The United Nations was established largely as a result of the tenacity with which the United States persevered in the concept of collective security.

When Greece and Turkey were threatened by international communism, the United States supplied the economic and military muscle necessary to their defense.

Postwar chaos in Western Europe was avoided by the efforts of the people of this Nation through the Marshall plan.

When Soviet Russia threatened Western Europe, we joined with other free nations to create the North Atlantic Treaty Organization.

When the Soviet threat erupted into violence in Korea, the United States took the lead in the creation of collective defense arrangements which today serve to preserve the peace in many parts of the world. Of course, that action was taken, as we all know, through the United Nations.

In these postwar years, we have come to the assistance of newly created nations, helping them to develop viable economies, to preserve their independence, and to become responsible members of the international community.

We have pushed ahead in sharing the peaceful uses of the atom.

Mr. President, I could go on repeating the catalog of national achievements in the field of foreign policy in the decade I have had the privilege of serving as a member of the Committee on Foreign Relations. The record of this Nation over these years is one of magnificence. I do not believe the full magnitude—the full selflessness of this Nation will be appreciated for many, many years.

In view of these achievements, it is with reluctance and sorrow that I contemplate the fact that this will be my last opportunity as a Member of the Senate to help promote our foreign policy. Yet I feel also great pride in having been privileged to be a participant in the formulation of foreign policy over these years. I am proud to be able to assert, as I stand here today to urge this body to approve the Mutual Security Act of 1958, that had it not been for the actions of this Nation during the past decade, we would be living in a world of utter chaos. Many newly independent nations would have fallen prey to the Communists; many others would be living without hope; and world war III might well have descended upon us.

I hope, Mr. President, that in the years ahead this Nation may continue on the path charted by the civilian and military leaders of this Nation since the war. The path toward peace is not easy. It calls for sacrifice. It calls for perseverance. It calls for courage. These are qualities of the American people.

THE BILL BEFORE US

The bill we now have before us, Mr. President, carries on the bipartisan tra-

dition of this Nation in dealing with the world in which we live. It has been reported from the Committee on Foreign Relations by a vote of 14 to 1.

The distinguished chairman of the committee, the senior Senator from Rhode Island [Mr. GREEN], has described the work of the committee in translating the high aspirations of our people into workable legislation. My only regret is that the committee did not see fit to support in full the request of the President of the United States. As the chairman noted, however, the Committee on Foreign Relations reduced by \$235 million the authorization requested by the President for military assistance and defense support. That was a substantially smaller reduction than the reduction which had been previously made by the House. Although I do not propose to offer an amendment from the floor restoring that amount, I shall oppose vigorously any attempts further to reduce the sums authorized in this bill.

PROTECTING OUR SECURITY

I cannot be a party to any tampering with the security of the Nation.

The President of the United States, who happens also to be the outstanding military figure of this generation, has, on the advice of the Joint Chiefs of Staff and on the advice of the Secretary of State, proposed a mutual-security program designed to serve the security interests of the American people. He has requested the authorization of a total of \$3.2 billion and the appropriation of \$3.9 billion, including \$625 million for the development loan fund, heretofore authorized. This request is less than half the total of \$7.9 billion which was actually appropriated in 1951.

The reduced amount requested this year represents a tightening of the belt. It represents a reduction of the military pipeline to the absolute minimum. It represents the judgment of the President of the United States and his military advisors with respect to the expenditures absolutely vital to the protection of this Nation.

Certainly the progressive reduction in these mutual security bills, from a high in 1951 of close to \$8 billion to the figure this year of \$3.9 billion, is no reason to believe that the world of 1958 is somehow a safer world than it was in 1951. Since 1951 the Soviet military forces have increased in power; the Soviet Union has developed missiles that threaten this Nation directly; and the Soviet Union has embarked on an all-out attempt to win the uncommitted world by pouring out economic assistance at a rate and with a selectivity that exceeds our own.

I digress to say, with respect to the amount which our committee felt might be deducted from the bill, that the recommendation was only in the field of military assistance and defense support, and not in the field of economic aid. We felt that the appropriation for economic aid should be left as it was.

During the past 3 years the Soviet Union has spent more than \$2 billion on this economic offensive.

There is really a Soviet "New Look" in external relations. The Soviets are

aware that they will be in danger if they do not meet the economic challenge and the competition we have given them by trying to help some of the underdeveloped nations of the world. The Soviets have adopted the economic attack as their line.

I am sure my colleagues will agree that the President of the United States has not established a reputation over the past 5 years as a spendthrift. His budgets have been tight. Indeed, in some areas of military spending they have been so tight that many Members of this body have urged greater expenditures.

It seems to me now to be a matter of commonsense and good judgment that we go along with the President's proposals in this highly important field of mutual security.

THE CONTINGENCY FUND

Before leaving the subject of the need for sustaining the figures recommended by the Committee on Foreign Relations, I wish to emphasize the special importance I attribute to the amount of \$200 million which has been requested for the contingency fund—a figure which was cut to \$100 million by the House of Representatives but which was properly restored to the full amount of \$200 million by the Senate Committee on Foreign Relations.

The request for the \$200 million contingency fund rests on solid historical experience that a fund of approximately this magnitude will be needed during the course of a year to meet situations which are either entirely unforeseen or which are foreseen only in part. The contingency fund is therefore unprogrammed. Although there has not heretofore been a specific, separate authorization under the heading of contingency fund, the Mutual Security Act has, for years, carried unprogrammed funds in various appropriations available for this kind of use. This year, those unprogrammed funds are simply lumped together in the bill under one heading so that they can be more readily identified.

In fiscal 1956, contingent requirements developed to the extent of more than \$180 million; in fiscal 1957 to the extent of more than \$190 million; and in fiscal 1958, they already amount to more than \$150 million. In view of this past experience, and in view of the increasing rapidity of world events, it seems only prudent to provide \$200 million for fiscal 1959. Indeed, the requirements which are not yet firm but which are already foreseen as potential amount to the full \$200 million, for which the bill calls.

This contingency fund is an absolutely indispensable instrument for the conduct of foreign policy in this age of tension and unsettled conditions. It provides funds for Presidential use in the variety of situations which are sure to arise during the coming year but which cannot be foreseen at the present time.

In the past, this fund has been used by the President in such key countries as Turkey, the Sudan, Tunisia, Morocco, and Pakistan. It has been used to help our friends cope with natural disasters as well as with political conditions which have threatened their very existence.

Of the total amount of \$200 million, the President may use up to \$100 million without regard to the provisions of the Mutual Security Act or related laws, provided the President determines that such use is important to the security of the United States. I might add that there is no person who is better able to judge, from his experience and life's work, what the security of the United States requires or demands.

NEED FOR FLEXIBILITY

Flexibility in the conduct of the foreign relations and in providing for the defense of the Nation is absolutely necessary in the days of intercontinental ballistic missiles. No one doubts that Mr. Khrushchev has sufficient flexibility in his conduct of the cold war. He can decide when and where and how much, without any responsibility whatever to anyone.

We cannot meet Soviet flexibility by putting our elected President in a financial straitjacket. Within the metes and bounds of the Mutual Security Act, it is still essential that we repose in the President confidence that he will utilize the contingency fund in such a way as to serve the overall interests of the Nation. I am very glad that our committee took this position of indicating that the contingency fund must be flexible in character, and that we can trust the President with its use.

SPECIAL ASSISTANCE

Although I have spoken particularly of the contingency fund, I also wish to call attention to the category of special assistance. The President requested the authorization of \$212 million for this purpose. That request was reduced by the House to \$185 million, but restored to the full amount by the Committee on Foreign Relations.

The \$212 million for special assistance, which was requested by the administration and approved by the Foreign Relations Committee, is all intended for presently known, identifiable needs. There is no speculation about this; we know what these needs are. The precise figures by countries are classified, but detailed figures are available to any Senator from the staff of the Foreign Relations Committee. I hope Senators who have any question as to these figures will not hesitate to go to the Committee on Foreign Relations to get accurate information. I can, however, list some of the countries for which special assistance is designed.

In the first place, our aid to Berlin, where we have special responsibilities, is a part of special assistance. This was formerly carried as a separate appropriation.

In Africa, special assistance will help Ethiopia, where we have important military facilities; Libya and Morocco, where we have important air bases; Somalia, which will gain its independence in 1960; and Tunisia, where there is a potentially very critical situation.

In the Near East and South Asia, special assistance will help, among other countries, Afghanistan, where the Soviets are making such great efforts; Israel, Jordan, and Lebanon, where the

need for the ability to extend assistance should be obvious to all. In Latin America, special assistance will go to Bolivia and Haiti, in each case for a different, but compelling, reason.

The dangers and difficulties of "too little" have been made painfully evident from our experiences during this current fiscal year. The cut of approximately \$75 million by Congress for this year's special assistance left the President in the serious position of having only \$5 million of unprogramed special assistance funds for emergencies after March 1. That is the condition we are in this year.

Since that date, as we are all aware, the crisis in Lebanon and the grave situations confronting Tunisia and Morocco arising from the cessation of French assistance have resulted in critical problems of the Free World.

Mr. President, I do not believe it is necessary to add anything further in order to make clear the serious need to authorize in full, for fiscal 1959, the \$212 million requested for special assistance and the \$200 million requested for the contingency fund.

The story of this year's tragic lack of funds should constitute as eloquent a plea as is necessary.

Last year, the Congress made several positive changes in the structure of the mutual security program. One of the welcomed results was the recognition of the necessity for greater flexibility to meet the challenges which will constantly confront us as the leader of the free nations.

For fiscal year 1959 we are presented with the opportunity to make it possible for the President to meet this challenge. We need only to recognize our responsibility and authorize an adequate amount of funds.

I wish to digress here for a moment to emphasize that we are asking for the authorization. Should an emergency arise, the President could call for a special session of Congress and request an additional appropriation. We are authorizing funds now, and we can appropriate additional money at a later date if a crisis arises, and funds normally appropriated prove insufficient.

Mr. President, one of the most perceptive statements which I have ever read in connection with meeting national challenges was uttered in 1897, by a man who was destined to become one of our greatest Presidents, Theodore Roosevelt. He remarked:

If in the future we have war, it will almost certainly come because of some action or lack of action, on our part in the way of refusing to accept responsibilities at the proper time, or failing to prepare for war when war does not threaten.

Let us not shirk our responsibilities today. Let us not be persuaded to evade them by criticisms, in many cases unfounded and irresponsible, which seek to magnify and distort the relatively minor things in an effort to divert our attention from the real accomplishments of the program.

CRITICISMS OF THE PROGRAM

There have been some criticisms of the program, and I wish to discuss several

of them. It is, of course, impossible to operate a program of the magnitude of the mutual security program without mistakes. There have been mistakes in the past and there will be mistakes in the future. I certainly do not object to honest criticism of the program. Last year the Senate Special Committee To Study the Foreign Aid Program—which included practically all the members of the Committee on Foreign Relations—made an intensive examination of the program in an effort to clarify its structure and correct the faults discovered through 10 years of trial and error. We have tried, since the beginning of the program, 10 years ago, to learn from the mistakes we have made, and have endeavored to correct them. Many eminent groups and individuals participated in this study. Changes that have resulted have promoted greater efficiency and effectiveness.

I, nevertheless, am frank to say, Mr. President, that the mutual security program has been and continues to be subjected to an abuse it does not deserve. Mistakes have been magnified, distorted, and repeated. Malicious attacks have been made by some who have put their prejudices ahead of the interests of the Nation and have thereby created unjustifiable opposition to the program.

The Committee on Foreign Affairs of the House of Representatives has rendered a distinguished service by attempting to draw from all sources the criticisms that have been leveled at the program. They found some 96 specific criticisms and asked that the International Cooperation Administration comment on those criticisms. Here are the results:

In six instances, there was a recognized problem which had not been fully solved.

In another six instances, an error was uncovered which had been corrected.

In 29 instances, the allegation involved a question of judgment, not a question of fact.

In 24 instances, ICA found the facts had been distorted.

In 20 instances, the allegations were based on an error in fact.

In 8 instances, allegations did not even relate to the mutual security program; and in 3 instances the allegations were apparently fictitious.

Let us examine, for example, the charge that has been made and repeated to the effect that United States bulldozer operators in Cambodia receive \$20.25 an hour with all living expenses paid and no income tax. The fact is that these operators received between \$3 and \$3.25 an hour for a 40-hour week, with overtime at the rate of 1½ times the hourly rate. In addition, these United States employees in a foreign land receive food, laundry, and quarters in camps without charge, but nothing else. They pay income taxes, as we do, unless overseas for more than 18 months, as is the law for all American citizens. Such a criticism based on incorrect information does not warrant reducing assistance to a nation like Cambodia, whose fall to communism would endanger all of Southeast Asia. We all

know that Cambodia is a part of the whole Indochina picture and, with Laos and Vietnam, constitutes old Indochina.

Finally, some criticisms have been found to be complete fiction—such as the statement that we have assisted in the erection of frozen-juice plants in Italy, where few homes have refrigerators, and that we have furnished iceboxes to Eskimos.

There are doubtless instances where projects have not represented the best utilization of our resources, but the vast majority of charges of waste are without foundation.

Certainly there have been occasions when the mutual security tool has been clumsily used. But, as the report of the Committee on Foreign Relations says, a carpenter does not throw away a hammer simply because he may from time to time miss the nail and hit his thumb. Neither does he trade it in for a smaller hammer. If he did so, his mistakes would hurt less, but it would also take longer to drive the nail—and it might not be possible to drive the nail at all.

ARE WE BUYING GRATITUDE?

Mr. President, many persons have raised the question, Are we trying to buy gratitude from the world? Time after time I have heard the assertion that mutual-security funds cannot be used to buy friends. I agree with that proposition 100 percent. The American taxpayers cannot be expected to pay out hard-earned dollars on any such theory.

The so-called foreign-aid programs are not enacted for the purpose of buying friends or gratitude. The funds authorized are for the purpose of promoting mutual security among the free nations of the world. There is not one word in the statement of policy of the Mutual Security Act which mentions gratitude as a proper purpose for these expenditures.

In essence, this is the statement of policy that guides these programs:

The Congress of the United States, recognizing that the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls continue by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under domination peoples now free and independent, * * * declares it to be the policy of the United States * * * to make available to free nations and peoples * * * assistance of such nature and in such amounts as the United States deems advisable, compatible with its own stability, strength, and other obligations, and as may be needed and effectively used by such free nations and peoples to help them maintain their freedom.

These programs are carried on because, since World War II, every President, every Secretary of State, every Secretary of Defense, and every member of the Joint Chiefs of Staff has been willing to state to Congress and to the American people that these expenditures are justified because they promote the peace of the world and the security of the United States.

Certainly it is the right of every American to disagree with every other American, but I suggest, Mr. President,

that the burden of proof rests with those who would deny that the Mutual Security Act serves the interest of the United States, and most particularly the long-run interest of the United States.

RECENT ANTI-AMERICAN DEMONSTRATIONS

Naturally, we have all been disturbed by recent evidence of anti-Americanism in Lebanon, Latin America, and Algeria. I feel sure there are some who will argue that such activities show a lack of gratitude for United States assistance and that therefore the mutual security program should be curtailed. But I ask, Mr. President, if the going gets tough, does that mean Americans should give up?

We can expect lots of tough going in the future. Indeed, the more progress we make in shoring up the concept of freedom, the greater efforts we can expect from the enemies of freedom. The United States did not react to Pearl Harbor with a defeatist attitude. We will not react to Soviet moves in the cold war by retreat. We must not respond to the Soviet challenge by cutting foreign aid but, if anything, by increasing the assistance we are providing.

The events in the areas I have referred to have been extremely distressing to all of us. They demand of us a searching examination of our policies. They do not, however, demand that we cut off mutual security assistance in spiteful vengeance for the disclosure that we are not as loved as we would like to be or as we pictured ourselves as being.

Minorities will at times give vent to their feelings, and we may not like it. In saying this I do not mean to belittle the seriousness of the events, but I want us to keep our fundamental goal in mind—that of assuring the continued freedom from Soviet domination of the now free nations of the world.

I know that the Committee on Foreign Relations has very much in mind the need to examine the impact of our policies in many parts of the world. Already it has authorized its Subcommittee on American Republic Affairs to examine our relationships with our neighbors to the south to the end that we may pull together in opposition to threats from outside the hemisphere. It is possible that this examination may be broadened to encompass a review of our policies elsewhere.

CONCLUSION

Mr. President, these days are days when American policy is being criticized abroad, our high officials attacked, and our buildings burned. These are days that test our mettle and our maturity. It is tempting to want to turn our backs on this troubled world. This very temptation, however, increases the importance of adhering firmly to our purpose of preserving and strengthening our security and the security of the Free World. There is nothing that the Soviet Union would like better now than to see us falter in our course, to stop or to curtail our mutual-security program, and to leave a vacuum for the Communists to fill, which they would do with alacrity.

Since the inception of this program, no country protected by it has been the victim of overt Communist aggression. No large-scale conflicts between the

Communists and the free nations have broken out. Deterrence has been exceedingly effective, and this is one of the major purposes of the program.

In a world beset by a great ideological ferment, the free nations, and those struggling to become free, need weapons with which to deter the outbreak of aggression and to combat those age-old enemies of constructive development; namely, poverty, ignorance, and disease.

One of the greatest vehicles for assuring that such needs will be met is the mutual-security program. From the ports of America and other free nations flow the arms which enable our allies to unite in the effort to deter overt Communist aggression and to maintain freedom. From our farms, mines, and factories come the commodities which provide the essential wherewithal to the underdeveloped nations in their efforts to rise from the stagnation which has been their lot for so many centuries. From our research centers, universities, professional groups, and cadres of experienced businessmen and administrators come the skilled technicians to help the other two billion to master the complexities of economic development.

Mr. President, I have attempted to show that for more than a decade the mutual-security program has constituted a primary vehicle for the unification of the free nations, under the guidance of God and a bulwark against the insidious penetration of the materialistic, atheistic ideology of totalitarian communism. America can rightfully be proud that its human understanding and material assistance have strengthened the arms of free men and given hope to the legions of the underprivileged. The confirmation and preservation of freedom has been its primary purpose. Against this rock, calumnies and charges have been hurled in vain.

Mr. President, this is no time for the Nation to falter in its leadership. Now, perhaps more than ever before, the fate of mankind rests with the United States. If we hold firm, I predict that history will write, as William Thackeray wrote of George Washington during the Revolutionary War:

Through all the doubt and darkness, the danger and long tempest of war, it was only the American leader's indomitable soul that remained entirely steady.

May we all support our great President today in his untiring dedication to the cause of a true, sincere, and lasting world peace.

Mr. MANSFIELD. Mr. President, will the Senator from New Jersey yield to me?

The PRESIDING OFFICER (Mr. ALBERT in the chair). Does the Senator from New Jersey yield to the Senator from Montana?

Mr. SMITH of New Jersey. I am glad to yield.

Mr. MANSFIELD. Mr. President, I wish to commend the distinguished senior Senator from New Jersey, who once again has demonstrated his devotion to his country, and once again has been the good and faithful servant he has always been. The administration has had no more devoted follower and no

better spokesman than the senior Senator from New Jersey.

I noted that at the beginning of his remarks today he stated—with a feeling of sadness, I am sure—that this might be the last time he would take the lead in this body in presenting his party's side of the foreign-aid program. Let me say to the Senator from New Jersey that it is with a feeling of sadness that I note that is to come to pass in view of the fact that, because of his expressed, voluntary wish, he will not return to this body next year.

Mr. President it has been a pleasure and a privilege to be associated with so distinguished a statesman. I, too, regret that he is to leave the Senate. However, I know he has carefully considered the matter, and that he and Mrs. Smith have arrived at that decision only after carefully weighing the entire situation.

I know I bespeak the sentiments of all Senators on this side of the aisle when I say we shall miss the distinguished senior Senator from New Jersey, and we hope that as time passes he will always honor us with his advice, his counsel, and his wisdom.

Certainly the Senate will be the poorer, in the years to come, when he is not a Member of this body.

Mr. SMITH of New Jersey. I thank the distinguished Senator from Montana for his kind remarks.

Mr. CASE of New Jersey. Mr. President, will my colleague yield to me?

Mr. SMITH of New Jersey. I am glad to yield to my colleague.

Mr. CASE of New Jersey. Mr. President, I desire to join the Senator from Montana [Mr. MANSFIELD] in commending my beloved and distinguished senior colleague [Mr. SMITH of New Jersey] for his immediate contribution to the deliberations of this body in connection with a matter which is most important to the security of the country and to the security of the entire Free World.

It is not necessary for me to elaborate upon that particular matter at this time, except to say that the address which has just been delivered by my senior colleague is in the best of his honorable tradition in this particular field. It is another evidence not only of his support of this essential program, but also of his stalwart and staunch support of America's bipartisan foreign policy, with the development and maintenance of which he has had so much to do.

With very great truth it can be said that in the last decade and more, during which he has been a most distinguished Member of this body, much of the success which has come to the efforts of this country, under both Democratic administrations and Republican administrations, to steer a course of security and safety, and, recently, of peace for the United States and for the rest of the Free World, has been due to his efforts.

Of course, I need not say—although I must, very briefly, in expressing my personal feeling—how much it has meant to me, as a younger man, to have had the affection, the friendship, and the counsel of the senior Senator from New Jersey, not only in connection with matters relating to his great specialty, namely, the field of foreign affairs, but

also in regard to all other matters which relate to our mutual service in the Senate. My life here would have been much less pleasant if it had not been for him.

That I shall miss him, goes without saying—as all of us will.

I, too, with the Senator from Montana [Mr. MANSFIELD], express the confident hope that the senior Senator from New Jersey will return here often; and that his service to his country, although in other fields, will continue to be as great and as rewarding to him as it has been to all of us, in the years of his rich and fruitful service in the Senate.

Mr. SMITH of New Jersey. I thank my distinguished colleague for his generous remarks. He well knows that our warm association has formed some of my most cherished moments, and my esteem for him is deep and full.

Mr. POTTER. Mr. President, will the Senator from New Jersey yield to me?

The PRESIDING OFFICER (Mr. MANSFIELD in the chair). Does the Senator from New Jersey yield to the Senator from Michigan?

Mr. SMITH of New Jersey. I yield.

Mr. POTTER. Mr. President, I wish to join the junior Senator from New Jersey [Mr. CASE] and the Senator from Montana [Mr. MANSFIELD] in commending the distinguished senior Senator from New Jersey [Mr. SMITH] for the statement he has made today. It is typical of the outstanding statesmanship he has always demonstrated in the Senate.

I wish to express my personal regret that that statesmanship will not continue in the Senate after the expiration of his present term. The Senate will be the loser as the result of the decision of the senior Senator from New Jersey to retire from the Senate.

But I know he is conscious of the fact that all the Members of this body wish him well in the years ahead, hold him in the highest admiration and regard, and wish for him and Mrs. Smith the very best of everything.

Mr. SMITH of New Jersey. I thank the distinguished Senator from Michigan.

Mr. ALLOTT. Mr. President, will the Senator from New Jersey yield to me?

Mr. SMITH of New Jersey. Mr. President, I yield to my distinguished colleague, the Senator from Colorado, who, in part, represents the great State which I hold in such high regard that I often refer to myself as its third Senator.

Mr. ALLOTT. Mr. President, I wish to join the Senator from Montana [Mr. MANSFIELD], the junior Senator from New Jersey [Mr. CASE], and the senior Senator from Michigan [Mr. POTTER] in their remarks about our very good friend, the senior Senator from New Jersey [Mr. SMITH].

When I came to the Senate, except for my own senior colleague, Senator Eugene Millikin, I presume I knew Senator SMITH of New Jersey as well as I knew any other Member of the Senate.

It was the result, I am sure, of a very interesting evening we spent together in Colorado that led him to ask that I be assigned with him to the Committee on Labor and Public Welfare—a committee where the work is never easy, but is most

difficult and most controversial. In that work the senior Senator from New Jersey has taken a very active part, and he has shown great leadership in the formulation of legislation beneficial to the country.

I would be remiss if I did not express to the one who often calls himself the third Senator from Colorado—and we are proud to have him say that, because he spent some of his early life in our great State—and to his wife, Helen, the deep appreciation of both my wife and myself for all he has done—for both the big things and the little things—in being helpful to us, and particularly to me in beginning the life and work of a Member of the Senate. I hope he knows that he has been of real assistance to us; and we are very grateful.

In whatever course the path of the future may lead him—and I am confident it will not lead to an inactive life, because I know him too well to believe that he would ever be inactive—all of us in the Senate wish him godspeed and the best of fortune. We know he will pursue whatever he undertakes with the same vigor and idealism with which he has pursued his work as a Member of the Senate.

Mr. SMITH of New Jersey. I thank the distinguished Senator from Colorado. I recall many happy times with him. I thank him very much, indeed.

Mr. CURTIS. Mr. President, will the distinguished Senator from New Jersey yield to me?

The PRESIDING OFFICER (Mr. JOHNSTON of South Carolina in the chair). Does the Senator from New Jersey yield to the Senator from Nebraska?

Mr. SMITH of New Jersey. I am glad to yield to my colleague.

Mr. CURTIS. Mr. President, the distinguished senior Senator from New Jersey will be greatly missed in the Senate.

I desire to commend him for his never-falling courtesy and for his loyalty and his devotion to public duty.

I desire to join all my colleagues in extending to Senator SMITH and Mrs. Smith every good wish for a wonderful future.

Mr. SMITH of New Jersey. I thank the distinguished Senator from Nebraska.

Mr. POTTER obtained the floor.

Mr. COOPER. Mr. President, will the Senator from Michigan yield to me?

Mr. POTTER. I yield.

Mr. COOPER. Mr. President, I am sure that before this session of the Senate ends, we shall have another opportunity to speak of the affection and esteem in which we hold the senior Senator from New Jersey [Mr. SMITH].

However, I cannot forgo this opportunity to speak of my own high regard for him.

I have had the privilege of serving under his leadership as chairman and now the ranking minority member of the Senate Committee on Labor and Public Welfare. Anyone who has served on that committee knows how difficult are the problems which confront it in the fields of education, of health, and pub-

lic welfare, and particularly in the controversial field of labor-management legislation.

All of us who have served with him have recognized his leadership, his fairness, and his determination to have fair legislation enacted for all the people of the country in these important fields.

All of us who have been in the Senate for any length of time know of his deep interest in international relations. As a member of the Foreign Relations Committee—which tends the security and peace of our country—and I am sure it would have been the same if he had not been a member of the committee—he has brought to the tremendously difficult international problems of our time profound knowledge and a rare quality of statesmanship.

Many Members of this body—and I assume particularly those on this side of the aisle—when they first came to the Senate, knowing very few Members, and with no experience in a body such as the Senate, found in the Senator from New Jersey, one who gave sympathy and understanding and counsel. I know that was my experience when I came to the Senate. I knew no one except one Member of this body, the late Senator Taft. Senator SMITH as a new friend gave me encouragement, counsel, and help. He has done that in all the time I have been here.

As I have said, all of us can speak of his fairness, and of his statesmanship, his patriotism and of his great legislative record as a Member of this body. But shall always remember him, beyond those great qualities, for his humor, his kindness, and the deep and abiding faith he has in our country and in its future.

We shall remember also his great integrity and his deep religious faith, which has animated his thinking and his action.

I speak not only as a colleague, but as a friend, when I say that his friendship has meant a great deal in my life and that it has given me inspiration.

Finally, I wish to say, and I know that he would be the first to agree, that Mrs. Smith, a noble and devoted woman, has helped him to make his great contribution to the Senate and the Nation.

We shall miss them, but we look forward to seeing them again and again.

Mr. SMITH of New Jersey. I thank my distinguished friend from Kentucky. He has led a sort of peripatetic existence in the Senate. I remember the first time he appeared here. Then, under circumstances which obtain in politics, he did not appear. Then he appeared; and then he did not appear. Finally he appeared again. It has been a great joy to me to have had JOHN among us. I cannot refrain from thanking him for what he has said. The feelings which have been expressed by all my friends have meant much to me. I thank them all.

Mr. NEUBERGER. Mr. President, before the distinguished Senator from New Jersey leaves the Chamber, I should like to pay tribute to the leadership which he has shown in the Senate in the field of foreign policy generally, and on the question of mutual security and foreign aid particularly.

I am a comparative newcomer to the Senate. In the time I have been here, I believe I have supported very consistently the views on foreign policy which the distinguished Senator from New Jersey has espoused and advocated so ably. I continue to be impressed by the sincerity and the clarity of his views.

I wish for him and to Mrs. Smith all possible health, success, and good fortune in the years ahead.

Mr. SMITH of New Jersey. I thank the Senator from Oregon sincerely for his kind remarks.

ORDER DISPENSING WITH CALL OF THE CALENDAR ON MONDAY NEXT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the calendar on Monday, under the rule, be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

AUTHORIZATION TO RECEIVE MESSAGES AND TO SIGN BILLS AND JOINT RESOLUTIONS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that, notwithstanding the adjournment of the Senate until Monday next, authority be given to the Secretary to receive messages from the House of Representatives, and to the Vice President or the President pro tempore to sign bills or joint resolutions duly passed by the two Houses and found to be truly enrolled.

The PRESIDING OFFICER. Without objection, it is so ordered.

MERGER OF UNITED PRESS ASSOCIATIONS AND INTERNATIONAL NEWS SERVICE

Mr. POTTER. Mr. President, because of the recent merger of United Press Associations with International News Service, a group of International News Service staff members have been given severance notices.

I do not know the precise number of those released throughout the worldwide International News Service news-gathering network. I understand, however, that about 25 persons, formerly in the Washington bureau, are now without jobs.

I shall not comment at this time on what seems to be a disturbing national trend toward consolidation of news media. Newspapers and press associations are businesses, of course, and to stay alive must operate at a profit. While we may disagree from time to time with editorial positions of a given newspaper, not a single one of us would wish to choke off its freedom to express its views. Limiting the number of channels of expression must in the long run limit the variety of viewpoints to which the American people are entitled.

Be that as it may, I wish to comment on the 25 persons who have been severed as a result of this recent development. Most of them are personally well known

to members of this body as highly skilled, conscientious professionals.

I earnestly recommend that the United States Information Service arrange to give these fine people special consideration.

The United States Information Service has the task of presenting to the world the story of our Nation and of our people. This responsibility demands the highest professional qualifications available.

Any one of us present today could point to unfortunate incidents in the past, or perhaps to international misunderstandings, traceable to an individual within an information organization who simply did not measure up to the required standards.

On the whole the United States Information Service is staffed by able and dedicated people. There is now an opportunity for that agency to avail itself of an elite corps of men and women. Their years of valuable experience in writing, reporting, and interpreting news, could be utilized to the great advantage of our Nation. This might provide a further means of enhancing the picture the world holds of the United States.

I urge that the agency take steps to investigate the matter, and to utilize this valuable reservoir of communications skills.

Mr. President—
The PRESIDING OFFICER. The Senator from Michigan.

CHALLENGES FOR SCIENCE STUDENTS

Mr. POTTER. Mr. President, the education of scientists and engineers is now one of our foremost concerns.

On May 9, the National Science Fair was held at Flint, Mich. It provided an opportunity for young people to develop their own intellectual abilities. The exhibits at this Science Fair showed what our younger generation have been able to accomplish by themselves with little outside help or stimulus.

Dr. Lawrence R. Hafstad, vice president in charge of the research staff of the General Motors Corp. and one of America's foremost scientists made a significant address to the high school finalists and winners.

Dr. Hafstad told his youthful audience:

It is a curious thing but science seems at once to be the most democratic and the most aristocratic of activities. Any graduate student can challenge an Einstein. In this sense science is democratic. On the other hand, most of us must recognize that an Einstein, a Von Neumann, or a Teller are blessed with endowments with which we cannot compete.

Thus there is simultaneously a scientific aristocracy. In science we have learned to accept the facts inherent in equality of opportunity with inequality of achievement. There might be lessons to be learned from this in certain nonscientific fields.

We can all derive additional hope from other statements in this significant address. In discussing the cultural exchange program inaugurated with Russia, which has enabled United States

scientists to interact effectively with Russian scientists, he said:

In the above I have touched upon the way in which science becomes involved in your individual problems and in national problems. This is not the time nor place to try to discuss at length the role of science in international affairs, but I would like to close on an optimistic note—and that is, that as part of the recently approved cultural exchange program with Russia, we are beginning to interact effectively with Russian scientists. This I believe to be a most hopeful development. Science, remember, is by definition "An organized body of verifiable knowledge." Science is dedicated to truth. To be successful, and they have proved that they are successful, Russian scientists must be dedicated to the same cause. Science thus gives us an enormous area of common ground within which we can begin to allay suspicions and to develop understanding.

Mr. President, Michigan is fortunate that so many of its great industries are supporting programs of fundamental scientific research. There have been established vast technical centers dedicated to the advancement of truth and knowledge.

I found Dr. Hafstad's remarks challenging and encouraging. I ask unanimous consent that they be printed in the RECORD at this point.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

CHALLENGES FOR SCIENCE STUDENTS

(By L. R. Hafstad)

It happens that in spite of my present activities in industrial research, much of my past career has been in the academic field. As an incidental byproduct of this situation I found myself eligible for insurance under the term of the TIAA, or Teachers Insurance and Annuity Association. Like nearly everyone else in the teaching profession, I have accordingly been making my regular premium payments to this organization. But here is an interesting and, I think, significant fact. Equally regularly I have been receiving from the insurance company small dividend checks. These, as I understand it, are due to the fact that people in and associated with the teaching field seem on the average to insist on living longer than would be expected on the basis of the standard mortality tables. One might account for this in various ways but as for me, I am convinced that no small part of this effect is due to the feeling of satisfaction and confidence of dealing with successive classes of bright and eager young people, each class better than the one before. It is difficult for anyone associated with good students to be anything but optimistic, and this, I believe, is basic both to the deep personal satisfactions in a teaching career and to the incidental longevity I mentioned above.

With these thoughts in mind, it is a special privilege for me to meet with this group of Science Fair finalists and award winners. I certainly wish to add by congratulations to the many you have received, but there is something more which should be said. I cannot help but feel a strong upsurge of confidence in the future of our country and of our particular kind of society when it can produce like this. Still more significantly, this group of real achievements was produced in a period when many of us are convinced that in some places the inroads of a retrograde "progressive education" movement has placed an undue handicap on our best student potential. If we can do this at a low point in our educational process, what unlimited horizons there must be when our educational process is again re-

stored to its normal standards. Beyond that, what might the achievements be when our educational processes are really tuned to the needs of an era symbolized by our imminent conquest of space. To me the future is positively exciting in its opportunities. There is so much that needs doing, yet until recently there was so little appreciation of the role of science and technology in our modern life. Your generation is the first during which the general public is beginning to give some sign of understanding.

It is impossible to outline the countless challenges in specific science and engineering fields, the challenges you must accept. Casually we now discuss space travel, for instance. This implies the need for exotic fuels, which pack more potential power into less space, or new materials, which maintain strength and durability at fantastically high temperatures.

Returning to earth for a moment, great challenges lie here also. We are all aware of the tremendous advances currently being made in medicine. One of the most dramatic things I have seen on television, for example, was the array of hospital beds in a polio hospital emptied by the development of the Salk vaccine. But these very advances produce their own problems, too. Thanks to these advances the world population growth is reaching proportions which are beginning to strain our natural resources. What natural resources, what power and materials, are locked in the oceans? We can visualize the time when the earth's mineral stockpile begins to dwindle. Will we be ready with synthetic replacements?

As we rely more and more on technology to support our civilization, we can anticipate a tremendous upswing in the power curve—the need for more energy sources to operate our plants, factories and production processes. To supply this rising demand, can we tap the sun? This is another area of challenge.

For you the big question in your minds is, no doubt, "Where do we as individuals go from here?" Those of us active in the research field are continually asked by young students, "What school shall I go to? What field shall I specialize in?" etc. These sound like fair questions, but frankly they are not—and here is the reason. Most of you have had your science teachers explain the importance of having your science problems well formulated. Your questions should really be rephrased to answer the additional question—"In order to do what?" Thus rephrased, the questions become much easier for us as advisors to answer, but my guess is the questions properly phrased are correspondingly harder for you to ask. It is for this reason that we are inclined to advise you to be deliberate in the process of choosing your field of specialization. A broad exposure to the vast panorama of scientific activities in college may develop talents and tastes which are unsuspected now. The essential thing is to have the background which will permit you to specialize in any one of many fields, or even to shift fields as exciting new developments occur. This is the reason your advisors keep stressing the importance of the basic sciences, mathematics, physics, and chemistry.

I like to describe the field of science by considering it as a growing tree. In this analogy we can think of the basic sciences—mathematics, physics, chemistry, biology, etc.—as the roots of the tree, with research in these fields being represented by the root tips digging ever deeper into the soil. Similarly, the branches of the tree may then represent the various applied sciences—mechanics, aeronautics, electronics, medicine, etc.—with the growing tips of the various branches and twigs representing research in these fields. Finally, by the fruit of the tree we can represent the end products in

which society as a whole is interested—the radios, televisions, airplanes, autos, railroad trains, washing machines, and whatnot, which note well, however, are brought into being only through an essential catalyst, the inventor.

Viewed in this light the fields of science and technology merge completely and one can begin to see also why new sciences are continually being formed and why the boundaries between old sciences are continually being broken down. The opportunities for you as students are truly unlimited in variety, for you may note that the growth potential is throughout the volume of both the roots and the branches.

With this analogy in mind I think it becomes clear why it is difficult to predict fields of science which will be either flourishing or lucrative a decade or more hence. Those fields will be flourishing wherein some scientific genius has made a particularly bold (or lucky) penetration into the unknown. Those fields will be lucrative in which some inventive genius has provided an end product in which society as a whole is interested. Thus in science, as in all human affairs, there is a large element of risk. There is real compensation, however, in the knowledge that in whatever field one may be working each new fact established is a contribution to the advance of mankind. It is a curious thing but science seems at once to be the most democratic and the most aristocratic of activities. Any graduate student can challenge an Einstein. In this sense science is democratic. On the other hand, most of us must recognize that an Einstein, a Von Neumann, or a Teller are blessed with endowments with which we cannot compete. Thus there is simultaneously a scientific aristocracy. In science we have learned to accept the facts inherent in equality of opportunity with inequality of achievement. There might be lessons to be learned from this in certain nonscientific fields.

For those of you, then, who plan to go on to make careers for yourselves as scientists, the course seems fairly clear. The advice must be to get as much formal education as you can manage. A doctor of philosophy is at present standard equipment for independent research in basic science, and the demand is high even now for engineers with formal training to the doctor of philosophy level. Considering the fact that it will be 5 to 15 years before you are committed to a career it would seem that the need for a maximum of education is obvious. Fortunately for those of you who maintain good scholastic records in college, there promise to be ample scholarships, fellowships, and research assistantships available largely to finance your advanced training. Even for undergraduate work, also, scholarships are becoming increasingly available, and here I am glad to say that our own General Motors scholarship plan, which will soon approach \$5 million per year, is considered one of the best planned and best organized in the field. By next fall more than 1,600 young men and women will be receiving money from General Motors for their college studies.

But all of you will not become professional scientists. How large is this proportion and what about the rest? Through the courtesy of Science Service, I have some figures on the progress of National Science Fair finalists of earlier years which may be of some interest in this regard.

Of a total of 784 National Science Fair finalists, replies to questionnaires were received from 194 women and 395 men. Of these, 57 women and 99 men have not yet finished high school. There are 104 women and 248 men in college, which is a very gratifying proportion indeed. Of those not in school, 2 women and 21 men in the armed services, 12 women are homemakers, 7 women and 20 men report themselves as being in industry, and a number are in research laboratories. It is of interest that of 45

finalists who have received their bachelor's degrees, only 8 majored in subjects other than science, and these 8 include 4 in education and 1 each in business and industrial administration—which fields are not (or need not be) devoid of interest in science and technology.

Considering that on the average only 25 percent of high-school graduates normally graduate from college, the large percentage of National Science Fair finalists is gratifying indeed. Even more impressive, however, is the large proportion of those receiving a college degree who have majored in science.

Of those few who have graduated from college and by now have full-time jobs in industry, there are the following in advanced fields of technology: A mathematician working on a systems study for the Vanguard project, an aerodynamicist doing dynamic stability and control analyses of supersonic aircraft, a research engineer doing applied research on solid state devices for storage and handling of digital information for data processing and computation devices, a chemist doing infrared spectroscopy for a chemical company, a woman biochemist studying utilization of amino acids for the meat industry, an electrical engineer designing missile ground-support equipment, a woman junior engineer doing research on the properties of germanium for use in transistors, and an engineer concerned with structural design of missiles.

With this record it would appear fairly well demonstrated that the stimulus of the Science Fair does indeed encourage students to undertake a career in science and that not a few of these students are successful.

This science fair stimulus, however, has another facet which should not be forgotten, something immediate and personal. It is the profound satisfaction of individual effort, of intellectual initiative. And with it, usually, goes the sheer thrill of exploration. These science fair exhibits are evidence you as participants have experienced this special feeling of satisfaction, and I am sure that you enjoyed it.

In your various exhibit projects you depended on others—for help, advice, suggestions and a measure of guidance. But beyond those offerings you had to strike out for yourself and operate completely on your own. This is most heartening—and certainly most vital—to the cause of real and true individualism. It is a potent reply to those arguments that all social, economic, scientific and technological problems will be automatically solved through group thinking or life adjustment processes.

We have been talking so far about the problems of making a career—that is, making a living in the field of science. We are also all aware of the now well-publicized shortage of engineers and scientists, so I will not belabor this point. Certainly we want scientists that can be used by society. But is this enough? Don't we also need, and equally urgently, a society that can use the scientists? Don't we need a society that has the wisdom to understand, to accept, and to control science and its potential contributions and not to stand gaping in awe, in fear—yes, and in disbelief—of accomplishments of science?

In this regard there is a deep lesson to be learned from the famous case of the high government official who, having been briefed in great detail on the evidence which led to the conclusion that the Russians had produced an A-bomb, and having made an official pronouncement to that effect, later stated in an unofficial capacity that he did not believe in the Russian success. There is such an enormous difference between knowing something and having it really register.

In a very similar way I believe that our Nation, thanks largely to sputnik, is logically convinced of the importance of advances in science and technology—but I

have a lingering suspicion that, too, has failed to really register.

Or to take another example: Everybody knows that a single megaton H-bomb carried by a single plane or missile carries as much explosive power as that of all the bombs dropped in all of World War II. But is there any sign that this knowledge has registered in the minds of, say, the diplomatic fraternity in the United Nations?

For some time now it has seemed to me that large as the problem of training an adequate supply of scientists, the problem of training a supply of responsible managers of a scientific and technological society is larger still. The problem, however, can no longer be avoided. We and the world are already in and committed to a second industrial revolution, based on the current rapid progress in science.

Because of the higher standard of living afforded by the industrialized society, even the underdeveloped nations are now planning to industrialize as rapidly as possible. As we are already beginning to see, the new technological society carries with it social and economic problems unprecedented in kind and magnitude. Unless we are incurable "technocrats" we cannot seriously believe that these grave problems can be solved by the part-time ex cathedra pronouncements of professional scientists. The social and political problems must be solved by nonscientists, but it would certainly help if they could have some background understanding of science, its motivations, its promises, and its limitations.

Since sputnik I have the feeling that the United States public is now determined to have a team of champion scientists much as it wants a championship team of football players or wrestlers. Once we have acquired such a team (which is presumably only a matter of dollars) it is assumed that again all will be well, and that this team will somehow keep us ahead of the competition in the technology of either peace or war. In fact, to most people our science problem seems already to have been solved by the success of the Vanguard.

This emphasizes another problem, the challenge of communications. If many of you plan scientific and engineering careers, look for the communications problem to dog your footsteps. The scientific community complains that its efforts are rewarded by little more than public apathy. For this the scientist must share some responsibility because until now his attitude toward the public has been cozy—not unlike the patronizing attitude of the erudite physician toward his patient who wants to know, in understandable language, just what ails him.

I would urge you to think about this. It is not enough that you engage only in contemplative shoptalk without considering also the arts of communication that make your activities comprehensible to the layman. It is up to you, together with the educational community, to help bridge the gap between the scientific and nonscientific segments of society. Keep in mind, also, that many of your future scientific efforts will necessarily have both social and political impacts which cannot be avoided as our way of life becomes more and more technological.

Our future society and its prosperity is destined to be so intimately tied to science and technology that it becomes almost essential that they be accepted as the warp and woof of our social structure. Yet the layman, educated or not, has a woefully distorted concept of science even now in what we consider a scientific age.

This has been well expressed and emphasized in a penetrating article by M. W. Thistle in a recent issue of *Science*. He states:

"Nonscientists tend to believe that a scientific institution is swarming with eye-popping discoveries every Tuesday, most of which the scientists conceal because they are overcautious. Laymen cannot bring themselves

to believe that most science is singularly undramatic; it is difficult to convince them that science is not a continuing series of spectacular advances, on all fronts at once.

"Scientists, on the other hand, are very much aware that hundreds of scientists and thousands of engineers worked for a significant fraction of a century on the problem of nuclear fission. They feel that laymen must learn not to expect the same sort of spectacular success every week, in time for the rotogravure section; must learn that the progress of science is a slow creep, consisting of thousands of small successes; must learn that only now and then is a result achieved that is both dramatic and obviously meaningful to the multitude."

I stress all this because to me it seems important not only that we train scientific specialists, but that we also train broad-gauge humanists and especially some humanists with a background in science. Thus, in my opinion we must learn to consider it a gain rather than a loss when people with a solid foundation in science choose to move into some other field of human endeavor. The needs in these areas are just as great or greater than in the field of science itself. The net result of all this, however, is that we need to get on with the training of still more people, enough to supply our need for professional scientists, and enough more for a generous sprinkling throughout the nonscientific world.

In the above I have touched upon the way in which science becomes involved in your individual problems and in national problems. This is not the time nor place to try to discuss at length the role of science in international affairs, but I would like to close on an optimistic note, and that is, that as part of the recently approved cultural exchange program with Russia, we are beginning to interact effectively with Russian scientists. This I believe to be a most hopeful development. Science, remember, is by definition "an organized body of verifiable knowledge." Science is dedicated to truth. To be successful, and they have proved that they are successful, Russian scientists must be dedicated to the same cause. Science thus gives us an enormous area of common ground within which we can begin to allay suspicions and to develop understanding.

In conclusion, then, I would like to summarize for you your prospects as I see them.

There are truly unlimited professional opportunities for you in the many burgeoning fields of science and technology. Over and above these, there are urgent needs for people well grounded in the sciences but trained professionally in the humanities. There will be a growing need for broadly trained people with a profound understanding of science and technology as the leaders and managers of our society. Finally, I believe that science and the people trained therein will provide one of the few areas of common ground between us and the Russians on which we may be able to build. With such an array of opportunities before you, each of you should be able to carve out a career peculiarly suitable both to your tastes and talents. I wish you the best of luck.

AMERICAN MANAGEMENT HAS FAITH IN THE FUTURE

Mr. POTTER. Mr. President, last March President Eisenhower said:

The real mainspring of our kind of economy is not Government, but the built-in thrust and vigor of private enterprise.

America's strength truly lies in the fact that decisions are made by millions of individuals rather than by a centralized Government bureaucracy.

Mr. Charles H. Percy, one of America's outstanding younger executives, believes

that it is the responsibility of business leadership to show all our citizens how a free-enterprise economy combats a business recession. Through his initiative, the American Management Association, which has served as a clearing-house for the world's most comprehensive exchange of management information, conducted an economic mobilization conference in New York on May 19 and 20. This conference was the most unique management meeting ever held. The participants included President Eisenhower, Vice President Nixon, and Secretary of Commerce Sinclair Weeks. A number of distinguished business leaders shared their experiences with the whole business community in meeting the challenge of 1958. Secretary Weeks, in his opening address to the conference, said:

This conference demonstrates private enterprise at its best, with emphasis on both words—"private" and "enterprise."

I congratulate you because, instead of sitting back or pleading with Uncle Sam to run everything, private management itself will describe what is being done by business to encourage increased business activity.

It is an inspiring do-it-yourself project in healthy revival.

Your meeting is in keeping with the traditional American outlook on life. All through our history, optimism has been a chief characteristic of Americans. The fact that our economy has grown to first place in the world is proof of the foresight of optimists.

The forward-looking programs of these business leaders should be widely shared. One of the participants was Elisha Gray II, chairman of the board of the Whirlpool Corp., of St. Joseph, Mich. I know that other business leaders in Michigan, each in his own way, are taking steps to make new and better jobs for our people. I am asking management leaders in Michigan to let me know some of the steps which they are taking in their own businesses in keeping with the spirit of this conference.

Everyone should have an opportunity to review the statements by the conference participants, America's business leaders. I, therefore, ask unanimous consent that statements to the conference by Harry A. Bullis, chairman of the board of General Mills, Inc., Minneapolis, Minn.; Thomas B. McCabe, president, Scott Paper Co., Chester, Pa.; Robert S. Ingersoll, president, Borg-Warner Corp., Chicago, Ill.; Cloud Wampler, chairman of the board, Carrier Corp., Syracuse, N. Y.; Thomas J. Watson, Jr., president, International Business Machines Corp., New York, N. Y.; Ralph J. Cordiner, chairman of the board, General Electric Co., New York, N. Y.; Frederick R. Kappel, president, American Telephone & Telegraph Co., New York, N. Y.; William C. Decker, president, Corning Glass Works, Corning, N. Y.; Franklin J. Lundberg, chairman of the board, Jewel Tea Co., Inc., Chicago, Ill.; Elisha Gray II, chairman of the board, Whirlpool Corp., St. Joseph, Mich.; and Charles H. Percy, president, Bell & Howell Co., Chicago, Ill., may be printed at this point in the RECORD.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

SELLING CAN TURN THE TIDE

(Address by Harry A. Bullis, chairman of the board, General Mills, Inc., at Economic Mobilization Conference, New York City, May 19, 1958)

As far as the food industry is concerned in the current period of business contraction, we are optimistic because consumers have maintained their habits of eating and have not downgraded their purchases.

General Mills, as a partner with the farmer and other processing enterprises in serving the food needs of the United States, is focusing its attention directly upon certain areas that we believe must command the dedicated efforts of all American business. It is our conviction that the remedies which can lead to a new surge of economic growth and development include bold, venturesome capital commitments and greater consumer persuasion and motivation. Now, more than ever, is the time for management to shoulder anew its responsibility for American growth, and for management to do the sweating, the planning and risking to get the consumer dollars flowing faster into the channels of trade.

CAPITAL EXPENDITURES

Briefly, for the fiscal year which ends May 31, 1958, the capital expenditures of General Mills will run above \$16 million, fully as high as the previous year. We have increased our capacity to produce cereals and package foods at four plants across the country. We have built a new animal feed plant. We have added to our chemical plant and to our special commodities plant. We have completed a new headquarters office building.

Work is already under way on further enlargement of our package foods capacity, on another new feed mill, on a plant for pet foods, and a plant for refrigerated ready-to-bake foods. We are enlarging bulk flour storage, making substantial additions to our shipping facilities, enlarging our research facilities and providing new manufacturing equipment in existing plants.

For the coming fiscal year beginning June 1, we will carry forward these and other projects. Our plans for capital investment will involve a total amount substantially larger than our expenditures during the current year. It may approximate 15 percent of our company's net worth.

CONSUMER EXPENDITURES

On the consumer front, General Mills is really stepping things up. During this fiscal year, ending May 31, 1958, we have introduced 12 new package foods, and there has been no economic recession insofar as our advertising and promotion is concerned. We have spent at an alltime high for advertising media of well over \$24 million. In the year ahead we plan to spend more. We are budgeting at a rate well above the current year and when we add the money we hope to spend on consumer promotions, we are looking at the largest figure by far in the history of General Mills. We have accelerated our merchandising programs, so that we will sell as we have never sold before.

This is significant, and perhaps in a sense typical, of the manner in which the food industry is trying to create new consumer markets, and to upgrade existing markets. What General Mills is doing will be repeated elsewhere, in scores of food companies, large and small. In every case consumer motivation will be built around the convenience of product-engineered maid service that is designed into our products. All these products will make life easier for Americans, and will make the basic business of eating more enjoyable. The economic rewards are added dollars in circulation, the stimulus to work and turn over income, and to produce and to place into distribution the fruits of labor.

Our advertising, too, will be geared to the needs of the Nation to build sales and jobs. An example is our nationwide campaign to improve the physical fitness of the American people. Sponsored by Wheaties, one of our ready-to-eat breakfast cereals, this campaign is designed to sell by performing a public service. This is the kind of approach that has built America.

Business and consumers, working together, can get us started on the upturn again. This is the General Mills thesis. We expect Government to do its part to provide some incentives for consumers and businesses, and to remove any obstacles to healthy economic recovery that may have accumulated along the way. Reforms of archaic legislative straitjackets, taxes, and depreciation allowances are among the means by which the Government can properly be of assistance. As a partner in free enterprise, Government needs more of the philosophy of constructive change that so permeates the American economy.

However, business and industrial management is not looking for some magic spell from Washington to solve our present problems. We must get rid of the thought that the Government is paying the bill. We know we have to get 5 million people back to work. And we can do that if all of us in our own companies exercise forward thinking and plan our work intelligently, so as to make the most efficient use of our invested capital. Now is the time when industry can usefully plan ahead and secure greater productivity from its resources. We are eliminating any unnecessary expenses. We have no so-called frills or corporate luxuries.

SPECIAL PROMOTIONAL ACTIVITIES

Through advertising and publicity, General Mills has endeavored to stimulate the consumption of agricultural products, with particular emphasis on eggs, poultry, and turkeys. While in the self-interest of our feed division, this effort lends support to the farm economy.

Last fall, in eight major cities and on two university campuses, we took the story of General Mills' progress and plans to shareholders together with financial and business leaders. We spoke optimistically and explained, in news interviews as well as in our presentations, the steps General Mills is taking to expand its future.

ECONOMIC AND SOCIAL CHANGES

This country is undergoing tremendous economic and social changes. Our standard of living is still climbing, and there is every reason to believe that it will continue upward. Advances in agriculture have given us an abundance of basic foods, and innovations in food processing have helped greatly in the struggle for better living.

The most significant change is the rapid increase in family income, which has risen from an average of \$4,000 to \$5,800 in a single decade. With that change has come more and more of the material things of life. The challenge to industry is to keep up with the changes in the needs and desires of the people. We have to give them what they want today, and, through research and innovation, prepare to give them what they will want tomorrow and next year.

The challenge to the food industry is larger than just supplying sufficient food. People want better eating. With more and more women employed in gainful occupations and a shortage of household help, our housewives want foods with "built-in maid service." I believe the demand for such products will continue and that such demand will put a premium on research for better products, on more capital investment to produce new products economically, and on better selling to tell people about them.

The food industry is looking toward the expanding needs of a growing population. The whole industry is intent on upgrading American tastes and desires, at the same time that it sells more volume. This combination

of product and service commands more money in the marketplace, and it creates more jobs as the consumer is convinced of the added benefits that accrue for him as a result of commodity upgrading. The current business adjustment will actually become a springboard for a sprint into the future, if we keep foremost in mind the appetites of the consumer and the capital needs of our businesses to keep those appetites satisfied. The food industry is moving toward that dual goal with boldness and spirit.

To that end also, General Mills has stepped up its research program, not only for new products and the improvement of old products, but for basic research. We are giving constant attention to the development of better manufacturing processes and greater mechanical efficiency.

PRODUCTIVE CAPACITY

The continued decline in the index of industrial production since last August through March has given rise to the theory that the industrial plant of the country has been overbuilt and that we now have too much capacity for our needs, including national defense. I doubt that this is the case, except in some areas where expansion has taken place so rapidly that obsolete and high cost capacity has remained in operation.

Flour milling is an example of an industry which has suffered from too much capacity and which is doing something about it. Since 1948 the industry has closed at least 163 mills with aggregate capacity of about 325,000 hundredweights per day. At the same time, many mills have been modernized and made more efficient with some capacity increases. According to a recent McGraw-Hill survey, the Flour Milling Industry will spend 19 percent more for capital improvements in 1958 than it did in 1957. Flour millers are facing the economic facts of life, and while they are investing capital in modernization, they are also taking out of production many plants which were high cost, obsolete in equipment, inefficient in management, or geographically obsolescent.

The test which our individual companies will have to face is that of providing efficient service to the consuming public. General Mills, as a part of the food industry, is meeting that test with new and improved products, better selling, more capital investment, and increased expenditures for research.

ECONOMIC SIEGE

For some months the American economy has been in a state of siege, with some sniping going on around the periphery of the central battleground. The siege is centered on a central fortress in our economy—inventory. Production rates are down, while the fortress of inventory is being reduced during this siege.

The sniping is represented by the mild reduction in other economic components which operate to spread the field of battle. Inventory liquidation accounts for about two-thirds of the economic recession. The remaining one-third of the decline in the total of our gross national production comes from a small reduction in consumption, a larger rate of decline in new plant investment by business, a decline in our exports or net foreign investment, and a decline in Federal Government outlay for defense which will soon end.

The forces resisting all these declines are the small rise in housing outlays and the steady increase in the expenditures of State and local governments.

What is the outlook?

We know that inventory reduction has proceeded at a rapid rate and before long production will have to rise to equal the continuing high levels of consumption. This force toward recovery is steadily gathering power and, if the high rate of inventory liquidation is sustained in the present quar-

ter, the upturn may be vigorous when it comes.

Will this force be enough to move us back toward sustained economic growth and full expansion?

Frankly, I do not think so. There are adverse forces—the small decline in total consumption which is the result of a large decline in consumers durable goods, the slowness of the rise in Federal expenditures, the decline in exports, and the decrease in business outlays for new plant and equipment.

We can hardly expect a full recovery to high sustained economic growth and expansion until the downward course of business investment in new plant facilities is arrested. This is not likely to occur this year, and perhaps not until we are well into 1959.

What can we do to speed the upturn in outlays for new plant and equipment? The answer is not easy. Defense expenditures will soon be growing, and expenditures of State and local governments will continue to expand. Housing may increase moderately, and our net foreign investment probably will soon level out. Production will increase when inventories are depleted. However, over and above these gains, consumption must expand sufficiently to encourage enlarged plant investment.

Automatic economic stabilizers have helped to sustain personal income and total consumption as they did in 1949 and 1954. In those years, substantial tax reductions added to purchasing power. So far in this recession, we have not had that advantage. Nor have we had prompt and vigorous efforts in the area of enlarged Government expenditures, which are at best slow in action. There are many billions of dollars, previously authorized, but remaining unexpended.

Lowered taxation is not the permanent deficit creator that enlarged Government expenditures may prove to be. It is important to realize that reduced taxation can so enlarge the total national production and the tax base that total fiscal revenues are increased, not diminished, when taxes are reduced at a time of substantial unemployment. The 1949 and 1954 tax reductions are cases in point. This issue of tax reduction will soon have to be decided. We hope that Government will take effective prompt action. However, we know that the burden of stimulating increased consumer expenditures will still be upon business.

RIISING COSTS AND PRICES

Another problem businessmen must consider seriously is that of formulating proper policies for determining wages. In the years since the Second World War, economic measurements show that wages have increased faster than productivity. As a result, the excess of wage increases over productivity increases has produced inflation rather than goods.

We need to adopt policies that equate wage increases to average productivity gains. We have built into the economy far too much escalation and it carries on into contracts which provide rewards for higher costs, as they are reflected by increased prices in the components of the consumer price index.

Analysis and experience indicate that contracts of this type tend to promote inflation, because they gear wage increases to living costs and to expected increases in productivity in individual companies, instead of to average national productivity increases. The circumstances have permitted strongly organized unions in some industries to gain wage increases above the rise in productivity for the Nation as a whole. In some cases, these industries have strongly increased their productivity, which has served as a lever for further wage increases.

Then other organized labor groups, in industries where productivity gains are not great, have pressed for wage increases commensurate with the wage gains of the strong

unions in the strong industries. These total combined wage increases have enlarged total purchasing power by more than the enlargement in productivity. The result has been inflation.

This is probably our greatest national economic problem. We must solve it if we are to have economic stability without price inflation. We now have the paradox of wages and prices going up in the midst of a recession, and we face the specter of inflation when this recession is over, unless we do something about it. We must study all of the facts about this wage-price problem, inform the public about them, and assist in the formulation of a correct public opinion, so that inflation—a disease widespread in the Western World—may be brought under control.

CONCLUSION

The important problem that we businessmen face right now is to sell more products to consumers so that production and employment may be increased. To do this, we shall have to break the psychological freeze of consumer funds. We can all do more and better selling, advertising and servicing. We can speed up product improvements and new products, in order to give consumers what they want.

Corollary to that problem is the problem of attractive prices. The consumer is price conscious. Prices must be within the realm of what consumers are willing and able to pay. Therefore, costs, including wages, must be held in line with productivity. We cannot afford to go into another spiral of inflation.

Of importance is the planning for capital investment to achieve greater productivity at present wage levels. We should not defer necessary capital improvements, nor engage in unnecessary plant expenditures. We should plan capital needs over a period of years, rather than rush forward with overextended programs and then come to a full stop.

As businessmen we cannot escape the responsibility for economic growth and the necessity of working with government and labor to channel our economic resources to that end.

This recession is a challenge to us. While it is a bit deeper than the downturns of 1949 and 1954, it is still a moderate business contraction. We all have confidence in the future, and we are all optimistic for the long pull. The challenge is to speed up the recovery which we know will come. We can turn the tide with better selling.

REMARKS BY R. S. INGERSOLL, PRESIDENT, BORG-WARNER CORP., BEFORE THE ECONOMIC MOBILIZATION CONFERENCE OF AMERICAN MANAGEMENT ASSOCIATION, NEW YORK CITY, MAY 19, 1958

Just as there is not any single economic factor which has caused the decline in business activity at this time, there are, in my opinion, not just one, or two, or even three factors, if applied to business in general, that would bring an immediate end to the slackened pace of our economy and restore the boom conditions which we have enjoyed for so many years. In other words, I doubt very much if anyone is going to pull a rabbit out of the hat and change our economic trend overnight.

However, I feel very fortunate in being able to hear what steps other companies are taking to continue economic growth for themselves and the industries they serve. I am sure that the cumulative effect of this exchange of ideas will contribute materially to a better understanding by those attending this conference of what at least 11 companies are doing to help create a better economic climate.

To give you a background for my remarks about Borg-Warner and its efforts to continue its economic growth, I should like to

outline rather briefly the activities of the company.

To the general public Borg-Warner may be the best known through its Norge home appliances, such as refrigerators, freezers, ranges, washers, and clothes dryers, and the air-conditioning products of its York division. However, an even larger part of Borg-Warner's sales are in the fields of component parts for the automotive, agricultural implement, aircraft, and marine industries; plumbing and heating and insulation, oil-well drilling equipment and services, specialty steels, industrial equipment, nucleonics, electronics, chemicals, and defense products as well as consumer financing. These business endeavors are carried out in 40 divisions and subsidiaries in this country and in five foreign nations.

With such broad diversifications Borg-Warner's management must of necessity be highly decentralized. No single group could possess sufficient knowledge to permit it to render day-to-day decisions in all of these different industries and areas. The managements of these divisions and subsidiaries are given almost complete autonomy. To them has been delegated the authority and responsibility for the conduct of their operations. The central office of the corporation furnishes the financing function and acts in a service and advisory capacity through its group vice presidents and staff departments.

In 1952 the American Management Association predicted:

"That by 1957 the headquarters of large corporations may serve as management companies, acting as consultants to manufacturers and distributors in their final decision making. This will give us the advantage of size without the smaller units losing their independence."

This is essentially a description of Borg-Warner's management concept as evolved over the years.

The steps being taken by Borg-Warner to continue its economic growth are primarily long range in nature, as I would venture to predict is true of the other companies represented here today and tomorrow. Any action of an individual company which might appear to take place during this period of economic decline and contribute to an upturn in its business would, undoubtedly, be the result of the application of sound management principles over many years rather than of a hastily devised program initiated in the last week or month or 6 months.

For this reason I should like to point out that Borg-Warner is continuing to pursue the policies and procedures which have been established as sound both in good times and in those not so good. These, of course, could include a list entirely too long to recite here, but a few might be mentioned.

We are continually reviewing our central office organization, as well as those of our divisions, to see that we have the most effective structure we can devise. In addition, we are attempting to put the best qualified man in each position with a replacement or two being available wherever possible to give us management in depth. Ways of improving and making more effective our research and development activities at both the divisional and corporate levels are constantly being sought.

Continual improvement in manufacturing processes and standards is the goal of every one of our production departments. At the same time we have always tried to keep our machinery up to date through replacement of worn-out and obsolete equipment. Management controls and procedures are forever under scrutiny and are being revised to meet changing conditions. New and better ways to create teamwork among employees and to develop a working attitude which increases productivity are being put into effect.

But what are we doing differently today from what we were doing a year ago? Even though Borg-Warner has always prided itself on keeping overhead expenses under control at all times, including periods of high output, there isn't any question but the greater emphasis is placed on cost reduction during periods of business decline such as we are now experiencing. The central office, as well as all divisions, have been reviewing every item of overhead expense with a view toward reducing it and keeping it in line with reduced production activity.

One of the annual procedures has been to develop what we call an operating level study. Each year all divisions and subsidiaries are asked to study their controllable expenses and profit margins in the light of the theoretical changes in sales volume from the level they had forecasted for the next 12 months. For several years the study covered sales volumes 10 and 20 percent above and below the forecast, thus covering a 40-percent spread. The effects of 5- and 10-percent price reductions on the profit margins also were calculated. Such a technique, if conscientiously followed, draws attention to unnecessary overhead costs, particularly when reductions in sales volume show shrinking profit margins. Most divisions also derive from a study a well-blueprinted plan for cost reduction whenever sales volume begins to fall.

When the requests for this study were being prepared last fall, we thought we saw a different pattern developing in the sales outlook from that prevailing in previous years. We asked that the study cover cost control for reductions in sales volume from the 12-month forecast of 10, 20, 30, and 40 percent. You can imagine that such a drastic reduction in theoretical sales volume caused an even greater percentage reduction in profit margins.

This study, of course, has pointed out most effectively to several divisions that they must modify their cost-reduction plans, tighten up on their variable budgets and intensify their efforts in this phase of their operations.

Once a year all the divisional controllers meet at our company headquarters to discuss accounting procedures and practices. You can be sure that the theme of this year's meeting, held a few weeks ago, was cost reduction and control.

Each controller was asked to reexamine his divisional cost standards, variable operating budgets, purchasing practices, and inventory and production control procedures all with a view toward tightening these controls and developing procedures which will allow these overhead functions to be accomplished for less cost. This same theme was followed in the two quarterly meetings held already this year with all the divisional presidents.

Cost-reduction committees have been functioning in many of our divisions for years, but many more divisions have in the last few months learned the wisdom of using such a committee, spurred on by the recent reduction in their profit margins. As a guide to these committees our central office personnel service department not long ago distributed among the divisions a cost-reduction manual and check list of proven cost-reduction ideas. This department has been receiving an increased number of requests from the divisions for a demonstration of its cost-reduction training program for supervisors which has been available for years but until recently used by only a few divisions somewhat sporadically.

One of our major elements of cost which has been increasing each year since World War II, just as regular as clockwork, has been that of wage rates. For years many of our divisional presidents have been writing letters to their employees about business conditions in their industries and pointing out the effect of excessive wage increases on production costs and attempting to do a job of economic education, not only with the

employee himself but with his family, by sending the letters to his home. Even though the number of persons employed in our divisions is very small in relation to the total employment in the manufacturing industries of the United States, and our efforts alone cannot change the national trend in wage rates, we wanted to make more of an impact on employees than had been accomplished in part by these letters.

We thought that if we were going to have any effect on stemming the increasing tide of inflation which, in our opinion, has partly resulted from increases in wages not fully justified by increases in productivity, we must start by educating our own supervision and factory employees that excessive wage rate increases are not good for our own business nor for business in general, that industry in this country by granting such increases in pricing itself out of domestic and world markets. To accomplish this goal of economic education of our employees and plant communities we have made use of a color sound motion picture entitled "Everybody Knows," released by the Chamber of Commerce of the United States to industry in general. All of our divisions are showing this film in their own plants and communities. We understand that this picture, using everyday language in its attempt to correct common misunderstanding about wages, prices, productivity and profits, is being enthusiastically received not only by managements but by employees as well. We sincerely hope this film will play at least a small part in correcting the wage-price inflation spiral which has been shrinking the value of our insurance and pension benefits as well as all fixed incomes since World War II.

You might ask what cost reduction has to do with economic growth. We believe that the pipelines of distribution emptied during World War II have been filled and that the latent wants of consumers which were built up during the war have been satisfied. Competition not only for markets in this country but for those abroad, has already become very keen. If we and other businesses in the United States are going to increase our sales volume or even maintain it and if we are going to make the kind of profit margins which will allow us to pay adequate dividends to our stockholders to attract the capital we need for expansion, then we must find ways of becoming more efficient and give the customer either a comparable product at a lower price or a better product at the same price.

The objective of our research and development activities in contributing to our economic growth is just this of providing a better product, an entirely new one, or a comparable one at a lower price. The new products effort of our division and corporate research facilities are at an all time high. It is not our intention to curtail these efforts nor reduce our research and new products budgets during this decline. However, today's conditions have caused us to change the emphasis of our efforts to those projects which are closer to bearing fruit as a finished, marketable product and deferring or slowing down those projects which may be several years from commercialization. New product committees in our divisions are periodically screening all projects to see that we are shooting with a rifle rather than a shotgun in our new-product activities.

The consolidation of functions in our divisions for more efficient operations has been taking place constantly, but several steps have been accomplished recently which probably would have taken much longer had they been attempted under the boom conditions which prevailed a year ago. In spite of the hardships which necessarily accompany a dip in business activity, such an economic climate does have an effect on people's minds

and attitudes which is frequently for the good.

As a matter of fact, we find that a period of recession, when the demand for output of goods has slackened, gives us more time to take stock of our strengths and weaknesses.

While long-range planning has always been a responsibility of all divisions in Borg-Warner, greater attention is being given to this activity now than ever before. We believe that there was never a better time to plan carefully for the expansion which we are sure will come in the near future.

Not only our central office but most of the divisions are holding periodic meetings of top management to lay out and discuss their long-range plans for new products and markets, improved production processes and facilities, and lower cost distribution methods. Very intensive efforts are being made to study our present activities and determine the actions we must take in the next few years in order to realize our growth potentials.

We have stepped up our sales and marketing efforts throughout all the divisions of our corporation. There today is a reemphasis on healthy, hard-hitting selling. We believe that people will buy when stimulated by new products, properly and aggressively merchandised.

Our sales departments are being stimulated to improve their selling techniques, particularly as to seeking out new prospects and new markets. In the immediate post-war years, when the demand for our products was high, there was no need to hunt for prospects; we simply had to process the orders that came in. So today there is a lot of talk about the lost art of selling, and in this connection the automobile industry has been the whipping boy of this recession. You hear people say that they can go into an automobile showroom and never have anyone even ask their names, let alone try to sell them a car. But the automobile business shouldn't be put into a category by itself; the same thing is happening in other industries, too.

For instance, our own York division was holding a regional sales meeting not long ago in a hotel in one of our major cities. The sales manager who was conducting the meeting found that the hotel was not air conditioned. He called on the manager and found that no one, neither our competitors nor our own salesmen, had called on the manager at any time to suggest that he air condition his establishment in order to have more comfort to sell prospective guests. You can be sure the York's sales manager used this example in his sales meeting to point out that for 10 or 15 years many so-called salesmen had become mere order takers, and did not practice creative selling by promoting a desire on the part of potential customers for their product or service.

As we move through this year of business downturn, we continue to exercise—and also to reemphasize—the fundamentals of good management. We bend every effort to develop new and improved products. We seek to produce and to distribute our products at lower costs. We are making definite plans, and are preparing ourselves in every possible way, to take advantage of the expansion of the economy which we are sure we may expect in the near future. As evidence of this, we are continuing without interruption our program of replacement and expansion which was inaugurated immediately after World War II and we expect to spend \$18 million this year for capital improvements and expansions as against \$20 million spent in 1957, the latter sum including the completion of several major expansions previously undertaken. And we try in all ways—through increased efficiency in manufacturing, through rigid cost control, through added productivity, through intensified advertising and marketing and selling, and through renewed

teamwork among all those in our employ at every level, to increase our sales and profits right now. By these means, by these actions, we hope and expect to make our own corporate contribution toward the future growth of those industries with which we are identified, and to the economy as a whole.

REMARKS BY CLOUD WAMPLER, CHAIRMAN OF THE BOARD, CARRIER CORP., SYRACUSE, N. Y., AT THE AMERICAN MANAGEMENT ASSOCIATION'S ECONOMIC MOBILIZATION CONFERENCE, HOTEL ASTOR, NEW YORK, MAY 19-20, 1958

Before an audience such as this it is difficult for me to refrain from discussing the various causes of the present recession, especially when I feel so deeply that many of them are mental and moral and perhaps even spiritual. However, this is neither the time nor the place to present personal views regarding such matters. So, I shall move quickly into my assignment, which is to tell you what we of Carrier are doing in these challenging times.

For more than a year now we have been engaged in extensive cost and expense reduction programs just as many of you have. And I am sure we have made a lot of progress. Unfortunately, however, this does not show itself to the extent that might be expected because the gains made are so frequently offset by rising costs and expenses over which we have little, if any, control. Then there is something else to be added—an intensely competitive situation which is complicated by irresponsibility and lack of experience on the part of some producers.

To a considerable extent we have been chasing ourselves around the stump, so to speak. And yet the tightening-up process is good for Carrier and in due course will be good in some small degree for the economy as a whole. Certainly we are getting rid of a lot of accumulated fat. Also, the younger members of our organization are learning the hard way what economy really is and, perhaps even more important, they are learning the hard way that goods have to be sold instead of just taking orders.

As I use the expression "learning the hard way," please do not get the idea that we believe in teaching people how to swim merely by throwing them into the water. And it could be that one of the most important things that Carrier is now doing is the expansion of its training programs including great emphasis upon management training.

Getting back to our cost and expense reduction efforts for just a moment, I am sure that the most difficult task confronting Carrier management is—and will be—to decide when and where to spend money as opposed to when and where not to spend it. You know, there are two ways to go broke. One is to spend too much and the other is to spend too little.

Today and tomorrow you will hear discussed many, many things which certain companies are doing to stem both their individual recessions and the recession. But you may not hear much about what is not being done or perhaps I should say, what must not be done.

Here are some of the things which I believe must not be done.

We of top management must not handle ourselves in a manner which will cause our associates and particularly those who are younger to get the idea that this is a period of great trouble and apt to continue for a long time.

Putting this positively, we must constantly reaffirm our faith in America and its people. And right here and now I wish to express my own deep-seated conviction that even the mental and moral and spiritual causes of the recession will in due course be effectively dealt with. This is my position because I believe in the fundamental good sense of the American people, especially those who work

in our plants and yours. And yet I have to admit this—it may take longer than it should for these men and women to realize that selfish leadership is not good leadership.

Now the fact is that from time to time a business readjustment—sometimes small, sometimes large—is inevitable. If for no other reason, it is inevitable because of excesses indulged in and for which one always has to pay.

Using Carrier's own recession to make my point, I now know that in 1956 we overloaded certain of our distributors and dealers. Here I mean to sound a note of warning about hard selling. Although I believe in hard selling, I do not believe in over selling and almost always it takes a lot of wisdom to distinguish between the two. In this connection, I would like to ask—did the sale of more than 7 million motorcars in 1955 help or did it hurt the American economy?

I wish I had time to review in detail the 18-year period beginning with 1940 and going through 1957. But I haven't, and so must content myself with pointing out that numerous segments of American industry supplied in 12 years, or maybe even less, the civilian demand of 18 years. And it was this which caused so many of us to believe that the trees would actually grow to the skies.

Therefore, a great deal of new productive capacity was provided and the total was more than actually needed to supply normal demand. The result was the inevitable, and in the 18th year of the period I am now discussing, that is, 1957, the good old-fashioned law of supply and demand began to catch up with us. So here we are with a case of indigestion that is pretty painful.

I am not sure what you do when you have indigestion, but I know what I do. I just give the old stomach a bit of a rest and simultaneously try to build up my overall health.

This, I suspect, is an apt, although homely, illustration of what is happening and should happen currently in many segments of the American economy. But, for the love of heaven, let's not get indigestion confused with cancer.

Continuing with my warnings, let me again use Carrier as an example. We are now engaged in studies with a view to determining what our standard costs will be in 1959. The evidence appears conclusive that we will have to pay more for all kinds of services and for many materials. At the same time, we see no possibility of increasing selling prices. So what do we do? We put a lot of people hard to work figuring out ways and means to offset the higher costs. And one of the things I fear most is that we may use our engineering skills so extensively to meet the necessities of the moment that we will not do a really good job of getting ready for tomorrow and the day after tomorrow.

This leads me into another area of discussion, and I shall now put to you a question which I believe we should all face up to. Is it not likely that many of us, especially those engaged in the production of consumers' durables, have depended too much in recent years upon gadgetry to sell our wares rather than bringing out fine new products?

Again using our own situation to make a point, I know of only two new products of major importance that have been brought out by the air-conditioning industry since the end of World War II. And the development work on both of these was started prior to 1940. I guess maybe we were so busy making hay while the sun shone that we forgot to sow some pretty important crops. And yet this is not the whole story by any means. The fact is that the long-term development efforts of our industry, and perhaps others, have been hampered by the necessity of trying to beat the cost-price squeeze, especially during the last 3 years.

Thus far I am sure I have been painting with too broad a brush. Therefore, I shall now cover briefly certain specific things that Carrier has been or is doing, or what we have not done and propose not to do.

1. We are continuing to make very substantial capital expenditures. The total in 1958 will be second only to the record high of 1957.

2. Basically, our capital expenditures program for 1957 involved the replacement of old and inefficient facilities with fine new buildings and equipment. The same is true of 1958.

3. Carrier's capital expenditure budget for 1959 is now being formulated. It is our present intention to step this up by including certain projects which were deferred last year when money became so tight. I cannot tell you as yet what the total will be. But I know that the present business situation is inspiring us to lay plans for further improvements and, therefore, greater investment than would have been the case otherwise.

Regarding the three points which I have just made, it seems to me that most of us have gotten too bearish regarding the capital expenditure outlook. True, excess capacity exists today. But a lot of this is represented by facilities that should be abandoned in favor of plants that represent the very last word in efficiency.

4. A major part of Carrier's improvement program has been and will be related to research and development. Incidentally, our magnificent new research center was occupied only a few weeks ago.

5. Although many of our development people are working on cost reduction, a very special effort is also being made to get new products ready more promptly than called for by original schedules. Because of our belief in the residential air conditioning market, major attention is being paid to equipment for homes with emphasis upon more efficient air-to-air heat pumps and a gas-fired system that will be lower in price and cheaper to operate than anything of the kind ever before offered. These products will be helpful not only to Carrier but to the utility companies, both gas and electric.

6. Among the possible victims of any business recession is the existing office building that is not air conditioned. Accordingly, Carrier is now hitting this market harder not only in sales effort but also engineering.

7. It is becoming increasingly apparent that the air conditioning of factories results in greater productivity and many other gains. So, here is another area in which Carrier is stepping up its marketing and engineering programs.

8. Our engineering, research, and development expenditures in 1958 will be the second largest in the history of the corporation and a very close second at that. But in results, we are positive they will set a new high record because of better planning and greatly improved facilities.

9. Having in mind the overselling of which we were guilty in 1956, we are determined to do a better forecasting job. Toward that end certain of our marketing people will be pulled away from the pressures of today and tomorrow and required to be more objective in sizing up not only this or that market but also the general business climate.

While on the subject of forecasting, let me tell you about an estimate of room air conditioner sales made in February of 1954, with all leading manufacturers cooperating. The low forecast for 1957 was 1,450,000 units. The top figure was 6,100,000. How's that for an honest difference of opinion? Incidentally, actual sales in 1957 were just under 1,500,000 units.

10. We are holding business training seminars all over the country. The objective is to help our dealers improve their business

practices. And we believe that this program will contribute something to protecting the future of small business, both short term and long term.

11. We are seeking to stimulate the interest of the end user of our products in advance of the normal selling season. During the past 4 months Carrier's installing dealers submitted more proposals to prospective buyers than ever before. The results are already beginning to show. Obviously, one of the things we are aiming for is a production curve and therefore an employment curve that is more nearly level.

12. A large portion of our advertising money is being spent closer to the point of sale. Among other things, more newspaper space is being used.

13. We are simplifying our product lines, standardizing an increasing number of components, and doing more and more manufacturing as opposed to buying on the outside.

14. Brainstorming sessions are proving very helpful as we seek to cope with today's problems. And, of course, the same is true of many other companies. My only reason for mentioning our experience is to emphasize the sense of participation provided for a large number of employees including people pretty far down the line. Putting this another way, I believe that these sessions have caused a great many Carrier people to say to themselves, "We belong." And that is good.

15. The principal objective of our cost and expense reduction programs was and still is to get back to reasonably satisfactory profit margins. But we are also shooting for the lower selling prices that will broaden our market.

16. Every aspect of Carrier's incentive compensation program is being reexamined and new possibilities explored. One of our top men is spending practically full time on this assignment, with the assistance of a management consulting firm of wide experience in that field. What we hope to do is provide more and more of our employees with an incentive that will result in greater productivity in all parts of the business. And, of course, such productivity will bring lower costs, followed by lower prices, followed by a broader market. On top of everything else, our people will make more money.

17. Over the years Carrier has sought to encourage its people to take an active working interest in their communities and also in State and National affairs. We now propose to place more emphasis on this even to the extent of urging political action. This is based upon a conviction that American business has for a long time taken too much of a hands-off attitude with respect to selection of men to run for public office, elections, legislation, and, perhaps most important of all, the substitution of administrative procedure for law.

18. This is the last point which I shall seek to make and essentially it is philosophical rather than specific. There is no question but that the most intense competition prevails throughout the industries of which Carrier is a part. But this condition is more nearly normal than the atmosphere of the 10 years following World War II. So there can be no waiting for things to get better. Even more important, a sound balance must be maintained between the needs of today and those of tomorrow. Any other course would be a disservice to both employees and stockholders.

Nobody knows better than I that what I have just presented to you is not very dramatic. But I believe this is as it should be. The troubles that beset us are not going to be remedied by dramatic action on the part of anyone—not even the Government. Anything dramatic that might be done is almost bound to have only a temporary effect, but with a tragic aftermath. For example—more

deficit financing and then more inflation. Please don't forget this—today's dollar in terms of purchasing power is 48 cents as compared with 100 cents as recently as 1939.

Maybe we of Carrier are too simple and too old-fashioned. For we hold that the one best way out of this or any other business setback is, "Face up to the facts and work like hell." And, believe me, this does not mean more pay for doing less.

As I have spoken this morning, you must have sensed my concern over the mental and the moral and even the spiritual causes of the recession. So in closing I wish to come back to them.

Over the years, the men and women of Carrier have sought to live up to a set of principles which has come to be known as our creed. Let me read to you the first four sentences:

We believe the rights and obligations are inseparable.

We believe that the great opportunities which are ours carry with them great responsibilities.

We believe that these obligations and responsibilities call for a high order of good citizenship as well as competence in business.

We believe that both individual and corporate conduct should be governed by the Golden Rule.

Ladies and gentlemen, there is no better design for living.

There is no better way out of trouble. Thank you very much.

MANAGEMENT ACTION IN TODAY'S ECONOMY
(Talk by Thomas J. Watson, Jr., at American Management Association's economic mobilization conference, May 19-20, 1958)

I'm honored to participate in one of the most unique conferences ever held by American business.

I want to say a little bit about the office equipment industry and then a bit about IBM, because there is a good deal of cause for optimism in our field and it isn't by any means confined to our company. We compete with a number of companies and we know their ability for original and creative thinking. To present their ideas as well as our own, I have been in touch with 10.

All of the companies I have heard from are having some problems, but they are all optimistic about the future. Four expect to exceed 1957 performance this year and six expect to be below. Three companies commented on the tax cut and each recommended against it because of its inflationary effect.

The recession has certainly stimulated thinking in our field, and every company sent me good new ideas to combat the recession. Some have bolstered United States profits by increasing business abroad. Most are working on or have installed new sales plans. Some are using their top officers to contact their most important customers, not only to improve relationships but also to learn how better to serve them. To make buying easier, terms of payment are being eased. Newer and more economical products are being rushed from research into production.

Within IBM we have been planning and acting in several areas since our sales began to slow down last September. Our income presently is extremely good, but in a rental business reduced sales affect rate of growth at delivery time, so we are all concerned.

In sales we are concentrating on improving the efficiency of our representatives—emphasizing more prospecting—trying to eliminate paperwork. A salesman is only effective when he's in front of a prospect, and in our company this is only about 180 minutes per day. Anything we do here to improve his time with prospects is money in his pockets and ours.

Selling techniques have changed tremendously in the last 15 years. You all re-

member the auto salesman who would bring attractive new cars around to your homes in the middle thirties. You remember how hard he worked. You perhaps had a chance to try 3 or 4 different cars before making a purchase, if you made one at all. How often do you receive these kind of personal calls at present?

I have wondered about this a great deal and have concluded that it may not be that auto salesmen are any less aggressive or less hard-working than formerly. It may simply be that to sell the large number of cars the industry has been making, marketing methods must change. The auto salesman must sell on a wholesale basis using direct mail and telephone, to develop more or less sure prospects before using the extended time necessary for a personal call and, hopefully, a sale.

Using this conclusion as a lead, we have recently been examining our own salesmen's activity. In the happy easy selling days of the past 10 years we have increased our individual quotas 600 percent over the late thirties. This increased quota has forced our salesmen to bypass the small prospect and concentrate on wholesale selling. This is a significant change in our pattern and if allowed to continue could reduce our business to a basis where we were adding almost no new customers. From 1937 to 1957 our business grew from \$30 million to \$1 billion, and our customers from 2,000 to 20,000. Obviously, our growth must be continued on a basis of gaining many new customers each year.

We conclude that sales and marketing plans in our own business at least, can get quite warped in times of boom. If these same plans are used in times of lessened industrial activity, they can well change the entire course of the growth of our business.

A new sales and compensation plan is being put into effect in our largest division to better meet present-day markets. This plan will compensate salesmen more equitably for the effort necessary to pioneer new accounts. We know that from a long term growth view, a dollar of new rental is more valuable to us than a dollar of additional rental in an existing customer's account, and our new commission rates will reflect this.

Generally, we're going back to emphasizing the fundamentals in selling that haven't changed in 50 years. Every salesman is going to report on a weekly basis not only calls, but also demonstrations and proposals, as well as the business closed and the percent of quota which has been achieved. The field managers are going to keep weekly records on hours spent in the office, hours spent in the field, and, most important, the number of calls made with the younger salesmen.

Our electric typewriter division has started a new program whereby their service people are encouraged to turn in leads on typewriters that they feel should be replaced. In the last 5 months, this simple device has provided 13,000 leads and resulted in 1,450 sales.

In late 1957, we wanted to get one of our very new products, which we call Ramac, in front of customers and prospects in a dramatic and rapid fashion. Since the product was new and complex, we had a very few prototypes and demonstrator models. To combat this, and to prevent a 12-month wait until demonstrators became widely available, we decided on a road show called Ramacade. Three separate trucks were outfitted to carry the Ramac. These trucks traveled across the country along three different routes, stopping for exhibits at the principal IBM offices in order to give our prospects and customers a firsthand look at this new product. In stops at 25 cities, the Ramacades have been visited by approximately 65,000 customers and prospects, and the effort has resulted in a good number of new orders.

Not only did the Ramacade get the product in front of our customers and prospects in a hurry, but also it saved several million dollars in inventory in demonstrator machines, and insured that every factory delivery after the first few would be revenue producers.

On the production side—the present situation has caused us to make some interesting discoveries. To some extent we have been preparing for 1958 for a long time. We have been very fortunate in IBM in having no layoffs since 1921, and we're doing our best to avoid layoffs in future. To this end, we have had our purchasing people subcontract about 33 percent of our subassembly.

Theoretically, this would imply that we could take a 33-percent reduction in volume without layoffs, but lately we have realized that we have broader responsibilities than just to our own people. A canceled subcontract means that the subcontractor must lay off his people or find new work for them, and in these times finding new work isn't easy. Therefore, we are trying our best not to cancel subcontracts and when we do, we try to give very adequate notice to the subcontractor.

When we do this, something has to give, and with us it's our backlog. It's still comfortable, but it's down a bit over what it was 8 months ago.

We have not canceled or slowed down any of our capital investment plans. Building costs are down slightly, and when times improve they will go up, so we're carrying on. This may result in some temporary overages in space, but we very much doubt it.

In research, we're obviously looking for newer and better products. Our expenditures here are increasing as planned. We know that it's largely through our research team that we've grown as we have in the past, and we're not only increasing our research bill, but also the percentage of our total gross which goes into research.

As a result of increased effort in the research and development areas, we expect our data-processing division to announce many more new products in 1958 than in 1957.

Costs plague all of us, and our cost of product has risen substantially since 1946. This has resulted in higher rentals which has removed a significant segment of our potential market.

Now our development people are putting a great deal of money and effort into bringing out simpler and less costly machines to increase our number of potential users.

In general management, we are striving for more and better control. Our company has been decentralized a great deal and we realize now the need for improved controls. Our people are being taught that although we are decentralized, they must constantly check to see that IBM policies are being correctly interpreted and carried out in the lower echelons of our company.

We have learned again in the last 9 months the vital necessity of good planning and control, and even more important, the necessity of taking firm and immediate action when your control reports tell you things have slipped. We're proud of the action we've been taking lately, and would be prouder if it had been taken last November. Our general plans and results on a corporate basis used to be reviewed every 90 days, and now it's monthly.

In little things we're trying hard too; not so much because of the money that can be saved, but because of the posture of frugality that it gives to the company and all of its people.

We've cut down mail and message deliveries within our offices and plants. Wherever we have private telephone lines, it's now mandatory that they be used and waited for when they are busy, instead of using a public line.

During the past decade, the rapid growth of IBM has constantly brought to our attention the importance of maintaining what we call a small-company attitude. By the small-company attitude, we mean that we are trying to get each manager to feel as much as possible that IBM is his own company, that he has a real stake in the total success of the corporation, and that as the company goes, so will he.

To help accomplish this we set up a stock-option plan for 50 of our top people 2 years ago, and have just announced an employee stock-purchase plan.

With each manager feeling a personal concern for the success of his segment of the business, and for the total company, his actions and decisions must increase the efficiency of the whole company.

This small-company attitude at all levels of management can result in immediate actions to solve problems where they arise. Big companies may tend to become ponderous, rigid, and indifferent to the little things: complaints from small customers, minor mixups in production, or a slip-up in service. Unfortunately, these little things grow and become irritants to customers—can destroy confidence, and build hostility to one's products. We believe that correcting these by proper attitude—the small-company attitude—throughout all levels of IBM, the sales we urgently need will be stimulated.

Rapid response to the service needs of customers is another major way in which we are attacking the decline. Webster defines service as "conduct contributing to the advantage of others." Surely, this is one of the important ways to increase the flow of goods in the economy.

It seems to me that this recession should make all of us in the management realize that we have a larger responsibility than that of managing our own individual companies. We each have a responsibility for the overall economic welfare of our Nation. One hears complaints about Government control of business, and yet, analyzing the controls we resent, we will see that many of them have been brought about by business practices in the past which needed some supervision and control.

Business executives are going to have to learn how to manage their businesses so as to make recessions few and far between, and if they do occur to keep them shallow and prevent real depressions. If we are unable to do this, I'm confident that the voters of the country through the Government will impose on our business community greater and greater controls, and we will lose more and more of the free-enterprise system which we all admire.

I suspect more control—if it comes, will be because we as businessmen have not fully realized our responsibility to society.

We believe in IBM that although the recession is tough, it is possible to turn the conditions it produces into some advantages for us. Ever since 1939, it has been easier to sell our products than presently. We hope this hasn't happened entirely by accident. Nevertheless, when a sales record rolls on and on, it is bound to build up some complacency, first in the sales force itself, and then throughout the company. In IBM we have lost our complacency in the last 8 months and with its loss, we are stronger.

In summary—the last 8 months has shown us in IBM that:

1. There is a critical need for re-examining every management technique at our disposal. We have learned not to look for overall panaceas, but to concentrate on more effective day-to-day direction and tighter controls, knowing the score while the game is being played.

2. Sales practices built in boom times can be detrimental to the long-range growth of one's business. Sales plans effective in boom

times must be considerably overhauled to meet the requirements of recession.

3. Sound long-range programs should not be changed radically and in haste. Fear is never a good basis for intelligent action.

4. Now, more than ever, high employee morale and whole-hearted support in achieving lean and hard-hitting operations are essential.

5. Without research and development there can be no new products. New products are the basic ingredient of an individual company's sales growth and a healthy economy.

6. Finally, if one is to fulfill one's responsibility to the industrial well-being of the Nation, each of our actions must be taken only after careful appraisal of its possible effect on the economy as a whole. Our economy, unlike some others, truly reflects our individual actions. Our actions, therefore, must be wise for they will determine in large measure not only our country's immediate economic future, but also the future of the entire free world.

NEW YORK, N. Y., May 20.—The General Electric Co. is engaged in a 10-part action program designed specifically to help accelerate the upturn in business, Board Chairman Ralph J. Cordiner said today in an address before the Economic Mobilization Conference. These actions, he said, represent "an earnest effort by 1 company, in 1 industry, to speed the recovery."

Speaking at today's morning session of the 2-day conference, sponsored by the American Management Association in the Hotel Astor, Mr. Cordiner said that General Electric's specific approaches include:

1. A vigorous effort to eliminate every element of waste that adds to the cost of producing and marketing goods for the company's customers.

2. A broad program of orderly planning by General Electric managers to try to minimize unemployment and keep production as steady as sales and forecasts permit. Mr. Cordiner added that the company "has urged the States to consider extending the duration of unemployment compensation during these periods of higher-than-normal unemployment."

3. The disciplined carrying out of necessary inventory adjustments in as rapid, yet orderly manner as possible in order to minimize both the length and the intensity of the adjustment period.

4. The unabated continuation of research and development so that new products, new industries and new jobs of the 1960's will not be delayed. Mr. Cordiner pointed out that General Electric's research and development expenditures for 1958 again will amount to "well over 6 percent of sales, which is 3 times as high as the average for all industry."

5. The continuation of the company's long-established program of recruiting, developing and training scientists, engineers, business and liberal arts graduates.

6. The continuation on schedule of General Electric's \$500 million capital investment program announced in 1955. Mr. Cordiner said General Electric had no intention of stopping its investment in projects that will help it be competitive in a highly competitive industry of 5,600 electrical manufacturers. He said, "In 1958 we expect that our department general managers will initiate projects amounting to about \$135 million. About 80 percent of this year's expenditures will likely be for new machinery, to improve and extend present facilities."

7. General Electric's prices have remained about level in recent months, in spite of automatic wage increases in the company's factories and those of its suppliers. "As a result," Mr. Cordiner noted, "customers are offered unusual values at today's prices, and this will help to build business volume back

to the normal level." But in the face of rising costs he noted that "such bargain prices cannot be expected to continue very much longer."

8. A program offering new credit terms that recognize the problems of the times. The program includes an unemployment protection plan to help customers through periods of unemployment due to sickness or layoff, and a skip payment plan to encourage customers to buy now by deferring the first monthly installment for 90 days.

9. Operation upturn, an aggressive, 6-month program to wrap up and intensify all the activities outlined above. Operation upturn is a company-wide drive to accelerate the upturn in business by bringing extra values and renewed confidence to customers. "Its basic purpose," Mr. Cordiner said, "is to build sales and jobs in 1958, for General Electric, and for every company associated with General Electric." The program is being carried out by all the company's decentralized operating departments. Mr. Cordiner emphasized that it is not a price-cutting program. It is, he said, "a program to bring to our customers the kind of improved service and improved values that will make it worth their while to buy now. In other words, operation upturn is focusing the efforts of everyone in General Electric on doing a better job for king customer."

10. A concerted effort to help the public understand the facts about this limited recession, and what is required to bring about the national recovery. "This includes," he said, "both the economic facts, and the political climate that is required to achieve a sound and swift recovery."

Mr. Cordiner emphasized that a swift and sure recovery cannot be obtained by "sitting back and relying on Government stimulants, deficit spending, meaningless tax cuts, deliberate inflation, or any other economic sleight-of-hand." He said that the solutions to today's less serious difficulties will be found in a "common effort by all citizens to work more purposefully, buy and sell more confidently, and build up a higher level of solid, useful economic activity."

Mr. Cordiner declared that the public has a right to know what positive, nationwide measures for accelerating the economic upturn are favored and supported by General Electric. These, he said, include:

1. Tax reform, rather than meaningless tax cuts. Mr. Cordiner noted that "there is increasing public appreciation of the fact that a so-called tax cut without an equivalent cut in Government expenditures is not a tax cut at all. Tax reform should include gradual reduction of excessive tax rates that take away more than half the earnings of business and up to 91 percent of the earnings of individuals. It should also include a complete review of excise taxes and depreciation practices."

2. Acceleration of defense work and public construction that is "truly needed" with the latter preferably on a local or State basis.

3. A realistic monetary policy that encourages investment and construction. Such a monetary policy is now substantially in effect.

4. A vigorous defense program stimulated by the same time-tested profit incentives that have made the American civilian economy the most progressive in the world. "More adequate profits," Mr. Cordiner said, "would produce not only faster progress in technology, but would also lower the costs of defense to the taxpayer."

5. Development of a modern national labor policy that recognizes the realities of present-day monopoly union power, with its restrictions of output and its strong inflationary effects.

"What I am suggesting in these comments," Mr. Cordiner said, "is that, with

enlightened public support, the Government can provide the political climate in which the economy can work its way out of the recession; but the Government cannot be expected to cure the recession." He cautioned, "Let us have no illusions. We cannot decide this matter for the American people, nor can the Government. * * * In this do-it-yourself country, the pace of economic growth is determined by millions of businessmen, consumers, investors, employees—in short, by the responsible decisions of every individual citizen."

"Together," he concluded, "we Americans can bring about the upturn and press forward to a great new surge of national growth. Together, we can prove—once again—the unconquerable vitality of a free society."

SUMMARY OF REMARKS BY FREDERICK R. KAPPEL, PRESIDENT, AMERICAN TELEPHONE & TELEGRAPH CO., AT AMA ECONOMIC MOBILIZATION CONFERENCE, HOTEL ASTOR, NEW YORK, MAY 20, 1958

To promote the general economic welfare, the prime necessity for any business is to keep its essential health and strength. Weak sisters cannot contribute to a strong economy.

We ought not to let productivity fall. Using more man-hours to do a given amount of work will cause lasting harm. If productivity goes down, standards of living will go down with it.

The habit of hiking wages above and beyond gains in productivity is just a way of living beyond our means and is bound to have the same consequences. This is the road into trouble for everyone and not the road out of it.

The efforts of business to serve the country's well-being are hampered, not helped, by those who take out after businessmen for trying to do the very thing that holds the best hope for the future—namely, to keep their companies strong and healthy so that they can take new risks, increase productivity, sell more goods, and employ more people.

There are those who hold out the notion that somehow the country will find a formula for pushing profit down with one hand and pulling business up with the other. This is impossible and I hope one of the benefits of this meeting will be to get wider understanding of that fact. We need such understanding not only in Washington and in our State governments, but up and down the countryside.

In the Bell System, construction expenditures and employment are geared to the rate of growth in service, and are dependent on earnings which assure our ability to finance.

Growth in telephones in 1957 was about 2,800,000 and long-distance messages exceeded the previous year by more than 7 percent. Construction expenditures in 1957 were more than \$2,500,000,000.

We began to feel the downturn in business, however, about the middle of last year. As the lead time on capital additions in the telephone business is from 12 to 18 months, we started then and there to adjust our planning for the future. Today our construction program for 1958 stands at about \$2,200,000,000, or 12 percent below last year; whereas our growth in business has been running about 40 percent less than in 1957 as to telephones, and 30 percent less as to long-distance messages.

So our construction program is down less than our increase in business is down. In fact, our construction in 1958 is about equal to the average for the last 3 years.

Why is it so large? Part of the answer is that we have chosen to go ahead with our modernization program virtually without change. This, plus expenditures for replacing obsolete plant, moving and relocat-

ing facilities, and so on, accounts for about \$900 million. To build added capacity to take care of more customers and more long-distance calls, we are spending this year about \$1,300,000,000. In this area we have cut about \$300 million from what we were originally planning a year or so ago, but the amount as you see is still very large.

The fact is that we are adding capacity faster today, in relation to the growth we foresee in the months ahead, than we have done for quite a while. We are sure the capacity will all be used, but some of it will not be used immediately. In short, we have left in our program of expenditure for growth every dollar good judgment can justify.

I hardly need to say this program is doing a great deal to hold employment up. We now have more than 760,000 people at work in the Bell System. This is less than 5 percent below last year, and the larger part of the adjustment has come about through resignations and retirements. As a matter of fact, we have thousands more at work today than at the end of the boom year of 1955. Let me point this out also: Back in 1949, when business fell off, our employment declined nearly 10 percent. The story today is nothing like that and the reason is simple. At that time our earnings were at a low ebb. Today we are in better shape financially to do the things that ought to be done and that keep people working. This is a clear illustration that financial strength and good health benefit everyone.

In 1959 we intend to keep on with our modernization program at a normal rate. Expenditures for growth will be keyed to the prospects ahead as carefully as we can gauge them. As of this moment it is not possible to make a close estimate of total construction expenditures for 1959, but they will probably be in the \$2 billion range, or close to it, and that is a very big program no matter how you slice it.

Our growth is not automatic. It comes from research, development, marketing, and door to door sales effort. We have increased and intensified all these.

The Bell System is spending more than \$90 million this year for research and development work—more than ever before.

We are doing everything we can to shorten the distance between development and design of new and attractive services, and their introduction into use.

We have more than 6,000 full-time salesmen aggressively selling the business market. This force is growing—not going down. Sales effort is also a regular part of the work of many more thousands of telephone employees, including those in our business offices and our telephone installers and maintenance men.

So we are getting new and improved instrumentalities and we are out selling them hard. Two examples:

This year we are actually increasing the number of home telephone extensions sold in proportion to the number of main telephones installed.

We expect sales forces promoting long distance usage to produce some \$75 million in additional annual revenue, compared with \$60 million last year.

We also think this is an excellent time to build our human resources for the future. We shall recruit 1,500 or more college graduates in 1958. We are asking many managers at higher levels in the organization to study some of the possible future problems of our business. We are training engineers in new arts of communications built around transistors and related devices.

Western Electric, our manufacturing and supply unit, is proceeding with an engineering training program about equal to running a college with 2,000 students. It is also developing plans to establish an engineering research center. Let me just mention, too,

that Western Electric this year will purchase goods and services in the neighborhood of a billion dollars from other companies. Last year Western did this kind of business with more than 33,500 firms all over the country—9 out of 10 of them small businesses employing 500 people or less. This year the facts and figures will not be far different.

To summarize:

We are going ahead with a big program to the limit good judgment allows.

However we do not think we should proceed on a make-work basis, or deliberately overbuild capacity. That would only make less work for the future.

We think modernizing our plant at a normal rate gives the economy the advantage of continuous improvement in productivity.

We are stepping up research and development.

We are intensifying sales effort all through the organization.

We are continuing broad training programs, and hiring college graduates.

Finally, we are determined to maintain our financial good health, because only by so doing can we serve the country well today and in the future. I have great confidence in the future, but it rests on the conviction that we must, can, and will get a proper understanding that adequate profit is the foundation of progress in our free-enterprise system.

OUR CONSUMER PRODUCTS DIVISION LICKS THE RECESSION

(By William C. Decker, president, Corning Glass Works, May 20, 1959)

It is most encouraging to hear from Mr. Kappel (Frederick R. Kappel, president, American Telephone & Telegraph Co.) of the program underway in the vast Bell System to combat the recession. The very size of that program assures that it will be an important factor in the effort now being made by business generally to revive our economy.

Our company, unlike American Telephone & Telegraph is not large enough to influence the economy appreciably. However, in these recession days, we have had some unusually good results in one division of our business, our Consumer Products Division. I hope the case history of what we have accomplished will dispel the notion, if it exists, that lower sales of consumer products are inevitable during a recession.

Last year Corning Glass Works sold \$159 million worth of goods. Most of that total was in industrial goods—products we sell to other manufacturers. We accept the responsibility of trying to create better values in such products but normally that requires considerable cooperation in many areas on the part of our industrial customers.

The time required to develop new or improved products is generally long. The sales of our industrial products are down today as compared with a year ago.

But we also have a Consumer Products Division that manufactures and sells such items as Pyrex brand cookingware, beverage ware and tableware. In this operation we do control the design and styling of our products.

Company sales for the first quarter of 1958 were up 4 percent due largely to a 14 percent increase in the sale of our consumer products. The month of February was the biggest single month in the 30-year history of the Consumer Products Division.

How was this accomplished?

First, we improved the appearance and usefulness of many products in our line. And then we merchandized as aggressively as we knew how these new products as well as other products which had not been changed.

As an example of this program, let me tell you about just one new product—our Cinderella bowl set. For the past 10 years one of our most popular consumer items has been a mixing bowl set, but its sales have grad-

ually been falling off. So about a year ago we decided to see how we might improve the product and increase sales.

One of our product designers moved right into the test kitchen of our home economics department and spent hours actually using the bowls—mixing dough, stirring batter, scrambling eggs. He came out with plaster models of bowls which he felt were easier to use, to manipulate, to pour from.

Another product designer prepared a series of decorations for the bowls. A number of different models with many different decorations were placed in our opinion center located in the Corning Glass center. Thousands of visitors were asked to express preference as to shape, size, color, and decoration.

From that test we picked the style selected by the majority and produced a number of bowl sets. They were placed in the homes of 200 consumer panel members who used the product right in their kitchens for 6 to 8 weeks. Housewives told us what they liked—and didn't like—about the new product.

Further improvements were made and then we placed production samples on test sale in two different cities. The results were satisfactory, so full-scale production was scheduled.

Then the merchandising operation began. Sales executives from headquarters at Corning presented the new product at district sales meetings throughout the country. Salesmen were given a sample kit and a sales folder and were advised as to the best way of selling their distributors.

These salesmen then called on 350 distributor buyers and built displays for the new product, demonstrated the sales aids and outlined the advertising program. Incidentally, the 40-hour week has been abolished for our salesmen for the duration of this recession. Some 7,000 distributor salesmen then called on 60,000 retail outlets where they took orders and helped schedule store promotions.

Meanwhile, two different advertising campaigns were underway. The first was in the trade magazines distributed to retailers and wholesalers; the campaign described why it would be to their advantage to stock and sell this product. The second campaign was placed in the women's shelter magazines about 90 days after our salesmen had started to sell to distributors.

At the same time, our home economists were talking with their counterparts in the larger department stores, with communications mediums and with the public utilities.

The results? The Cinderella bowl set has proven to be the best selling new product ever marketed by the Consumer Products Division, even though the program was being carried out as the recession developed. The momentum of the introduction of this item plus six others also helped raise the sales of our old products which had not been changed. Division sales are 14 percent ahead of last year—and last year was the best in the history of the division.

In short, we did not just ask the housewife to buy our product. Instead we first determined what she wanted, then we produced a product to her specifications, and finally we pushed the product as hard as we could.

We have another new product line called Corning Chef Ware which is about midway in the development stage. From all indications this new line will even surpass the Cinderella bowl set.

Last May Corning announced a new family of basic materials which we trademarked Pyroeram. This material begins as glass, but special heat treatment transforms it into a very hard fine-grained crystalline substance. Its unusual properties made it ideally suited for range-top ware.

A 10-inch all-purpose dish for range-top use and three smaller sauce pans were put

through the same stages of product development as the bowl set. A month ago these products were placed on test sale. With almost no promotion, sales have been 20 times greater than any item previously tested. Mass production of these products will be started in June. They will be placed on sale on a regional basis beginning in September.

To summarize—the public will buy if industry will offer new, attractive, and useful merchandise. It is industry's responsibility to have the imagination to determine the needs of the public and then to do something about it.

By fulfilling this responsibility as well as doing a real old-fashioned job of intelligent merchandising and hard selling, we will be helping to put people back to work and restoring prosperity.

CONSUMERS RESPOND TO BARGAINS

(Remarks by Franklin J. Lunding, chairman of the board, Jewel Tea Co., Inc., before Economic Mobilization Conference, the Hotel Astor, New York City, May 20, 1958)

I am pleased to report to this conference today that the retail food industry has continued forward as a salient of strength in the present general business recession. In the first quarter this year, consumer spending in retail food stores was at a rate of \$50 billion per annum, almost 9 percent ahead of a year ago. This record amount exceeded consumer spending on housing, automobiles, and all other durable goods combined. This acceptance by the public of the offerings of food stores has meant expanded activity for numerous large segments of our population. Employment in all food retailing totaled approximately 1,550,000 in March, up nearly 40,000 from a year ago.

Food retailers are in reality the food handlers of America, purchasing food and also other commodities in large quantities, and moving these through modern one-story warehouses with the aid of automatic tow lines, fork-lift trucks, trailers, and straight trucks, the storage rooms and shelves of the country's supermarkets and stores into the hands of customers. A typical Jewel retail unit in Chicago, for example, handles approximately 125,000 pounds of merchandise a week.

The tremendous tonnage handled by retail food stores is reflected in greater activity for those serving food retailers and wholesalers. Those benefited include not only those employed in food manufacturing, but also those supplying services to the food industry—such as electric and gas utilities, landlords, laundries, suppliers of paper and other packaging materials, makers of shelving, checkout counters, refrigeration equipment, and other machinery; and last, but by no means least, government at the local, State and Federal levels. Along the line traffic is generated for transportation and trucking agencies, and ultimately it reaches back to the farmer and those who supply him, such as the fertilizer and farm-equipment companies. In the first quarter of this year, the annual rate of net farm income was \$13 billion, an 11-percent increase over a year ago. It is significant that commodities not under direct Government price supports such as beef cattle, hogs, eggs, fruits and vegetables are doing much better in spite of the current downward adjustment in economic activity than those farm products which are subject to Government support programs and acreage controls.

A clue to the reason for record food sales is to be found in the fact that the retail food price index of the Bureau of Labor Statistics, even now, stands at only 120.8 percent of the 1947-49 average, which is below the level of the entire consumer price index on all items representing the cost of living. Thus food has increased less in the past 10 years than many other commodities.

Comparatively speaking, food is still a bargain.

It is certainly true that we all have to eat. But we could eat for less than we do, if we chose to do so. A market basket of food requires the expenditure of a smaller share of income today than 10 years ago, and much less than prewar. Before World War II, people spent 23 percent of their income for food. Ten years ago in 1948 the same foods cost 20 percent of income. The same market basket can be purchased at today's prices for only 17 percent of income. Expressed another way, one hour of work will buy two pounds of steak today compared with 1½ pounds 10 years ago. Consumers have apparently found food so attractive that instead of reducing the share of income devoted to food they have actually increased it. According to preliminary estimates, 26 percent of income was spent on food in the first quarter of this year, at least 50 percent more than necessary to maintain prewar standards of convenience and diets. In other words, as pointed out recently by Prof. Herrell De Graff of Cornell University, about two-thirds of present food expenditures are for the equivalent of the prewar diet and one-third for increased amounts of the preferred foods such as milk, meat, and eggs, and for additional food services.

Advances in productivity among all associated with the food industry have contributed to making food a bargain. The advances in farm productivity are becoming well-known. In the last 10 years output per man-hour on the farms has increased by nearly 85 percent compared with 30 percent in nonfarm activity. Transportation agencies have also made extensive improvements in their operations. Ton-miles per train-hour on the railroads are up 19 percent in the past 5 years and 48 percent in the last 10. Similar stories can be told for manufacturers and the food handlers at both the wholesale and retail levels. Output per man-hour in food stores, for example, has increased approximately two-thirds since 1939, or substantially more than the indicated 46 percent gain in output per man-hour in all nonfarm private business.

An important factor in the above-average gain in the efficiency of food handling has been the development of the supermarket founded on the self-service or self-selection principle, one of the first examples of do-it-yourself. And the spread of self-service still continues. Late in 1952 the self-service handling of meat was introduced to the Chicago area food stores, following the signing of a contract with the meat cutters' union permitting this practice. In the ensuing 5 years, output per man-hour in Jewel meat markets in the Chicago area has risen by 54 percent. This increased productivity makes it possible to cut and prepare meat for sale to customers at low cost while still paying high wages to meat cutters. A journeyman meat cutter, for example, earns \$2.70 an hour, or \$108 for a 40-hour week not counting fringe benefits. People of this high caliber are necessary to meet the exacting demands of customers.

Beyond the improvement in the efficiency of growing, transporting, processing and handling of food—all of which have contributed to making food a bargain by reducing costs—there lies another area of development which has contributed to the attraction of food. This has to do with the vast improvement in food products and their packaging, to meet the desires of consumers for better and more nutritious foods, with greater variety, prepared in ways that will save time and work in the kitchen. It is estimated that time spent in the kitchen in preparing meals now averages less than half the time required 30 years ago. Much of the drudgery of kitchen work has been trans-

ferred to the store or the factory where it is performed to a large degree automatically.

Product development has been especially rapid since World War II. Take the potato, for example. Today we count 19 different ways in which potatoes can be purchased in Jewel Food Stores. First, they can still be purchased in bulk, in 5-10-pound bags, though they are now washed before they are packed instead of later in the customer's kitchen. Potatoes can be purchased in cans—little whites, whole or sliced, or french-fried shoe strings. Or, if you prefer, we have fresh potatoes, peeled and ready to cook—whole, sliced, french fries, long or short. Then there are instant potatoes and a host of frozen potato items—such as frozen french fries, with or without a kink, potato pancakes, hash-brown potatoes, or potatoes au gratin. There is, of course, potato salad; and potato chips—regular, barbecued, or heavy-duty dip chips with a kink.

Let us look at the chicken. Per capita consumption of chicken this year is expected to be 40 percent higher than it was 10 years ago and nearly double per capita consumption before the war. But the chicken of today is a vastly different product than it was years ago when some of us brought up in the country had the task of chasing roosters for Sunday dinner around the farmyard with a hatchet in hand. The quality of the product is more uniformly high and it is sold cut up and ready to be placed in the frying pan, or it can be purchased already cooked in a variety of table-ready dishes if the customer so desires. The same is true of fish. One can still buy a whole fish, in some places, and clean it, scale it, cut it, and prepare it in many ways for cooking and serving. But increasingly, the fish may be purchased with various stages of preparation for the table already performed, right up to buying the fish rolled in cracker crumbs and cooked in portions which are already bite size. If anyone still yearns for the good old days, please explore an old cookbook for detailed instructions on the preparation of fish.

These are but examples of developments in the rapidly changing food industry. All of the diverse elements of the industry have made their contribution—in methods, refrigeration, packaging, transportation, and handling at the wholesale and retail level—each designed to bring food products to the consumer at low handling costs, in better condition, and in easier form to use because of built-in maid service.

The demonstrated response of consumers to the efforts of the food industry to create real values makes us in retail food distribution confident that continued efforts in this direction will be reflected in increased sales dollars. Accordingly, we at the Jewel Tea Co., Inc., the 11th largest food chain in the country, are planning not only to go forward with our growth program, but to accelerate it at this time. We look upon the present as a favorable time to construct new buildings at lower costs than was possible even 6 months ago, to employ high-caliber people who will be needed to guide and service our growth program, and to obtain financing on more favorable terms than have been available in recent years. Specifically, Jewel is planning to open a minimum of 35 new supermarkets in 1958, or 2½ times the number opened in 1957. In addition, we will construct a 200,000-square-foot addition to our central distribution warehouse making this the largest distribution center for non-perishable merchandise of which we have knowledge. Total expenditures for land, buildings and equipment to complete this 1958 program will be nearly \$18,000,000, more than double the amount spent for such purposes in 1957. We estimate that our 1958 program will create 1,500 new jobs, an addition of 10 percent to total employment for our company.

The food chain industry as a whole is going forward in 1958 with an expansion

program. The food chains expect to build some 2,000 new supermarkets in 1958 and 1,700 present stores will be remodeled. It is expected that this expansion of facilities will create approximately 50,000 new jobs in our industry.

These figures speak for themselves as to the optimism with which we at Jewel and the food-chain industry in general view prospects for the future. Our optimism is based on the belief that the present recession in general business will be followed by a resumption of growth in our economy, and that customers will continue to respond favorably to the creation of greater values in food production, distribution, and handling—values keyed to the low-cost movement of vast tonnages of food into consumption. This confidence in the future is to be supported by making shopping even more pleasant and convenient, and by further reducing the time needed to perform the task of food preparation in the home.

HOW MANAGERS OF AMERICA ARE MOBILIZING THEIR RESOURCES TO MEET THE CHALLENGE OF THE CURRENT ECONOMIC SITUATION

(By Elisha Gray II, chairman of the board, Whirlpool Corp., St. Joseph, Mich., the American Management Association, May 19-20, 1958, the Hotel Astor, New York City)

I believe I am the only manufacturer on the panel today whose activities are solely dependent upon the durable goods industry. In this circumstance, I would like to begin by giving a few benchmarks to show just where we are statistically. It has been said that this is a durable goods recession and I think that there is a lot of accuracy to that label. Today, with our high standard of living, the consumer in the average family is able to defer about 40 percent of her purchases for a considerable period of time, without actually reducing the standard of living. This is because so many of the family expenditures are not for day-to-day necessities and because much of the durable equipment of the home has a long useful life and can be made to do for another year or so without depriving the family of a customary level of living. Consumers have chosen to defer their purchases of durable goods rather than commit themselves for added debt at this time.

Actually, nationwide appliance factory shipments for the first quarter of the year were off 21 percent, if one were to average all of the major appliances. At retail, however, sales to final consumers are only off 10-12 percent for the quarter, which, of course, indicates that the inventories in the distribution system are being reduced at this time. In my opinion, this process of inventory decumulation has about leveled off right about now, give or take 30 days. The process is already fairly well completed at the retail level.

Now, if those are the facts, that the consumers simply have not chosen to buy the new models, you can only conclude that it's because the merchandise we manufacturers have offered has not been attractive enough to persuade the consumer to exchange her money for the new product. Since the statistics have been adequately expressed by previous speakers, I won't undertake to document the fact that the customer actually has the money to make these purchases and it is strictly a matter of choice or decision on her part.

Fundamentally, I believe it is self-interest that leads people to buy things. If they buy an appliance it is because they either need it for its utility to them or they wish to have that pride of ownership which accompanies most new products. Pride of possession does something for one's ego. So, if a customer wants a thing desperately enough she will find a way to buy it. Therefore, our problem is to review the basic elements of our

merchandising format and see what it takes to stimulate this customer wish to buy in the present, somewhat uncertain, climate which is adversely affecting her appetite. In other words, I think we must look to ourselves as being primarily at fault, if we have failed at this time to convince the customer to buy our wares.

Accordingly, my company has gone about this on a basis of completely reviewing the merchandise we are offering, reviewing its mechanical design, its price, its quality and its method of sale. We don't believe there is any easy formula or gimmick that will suddenly bring about important changes in our sales trends. Certainly, we have had every imaginable kind of promotional presentation over these past months. For instance, I believe it is a fact that in selling appliances today you can win yourself, as a prize, a trip to almost any place in the world; but these are not fundamental things.

Our efforts must now be focused on the fundamentals.

First, as to the present product. My company has remerchandised, so to speak, the line of goods that we are offering, in some cases this involved changing the merchandise assortment, adding more powerful attractions in certain price brackets in which our line was not properly represented. In other cases our past market experience has told us that we had overdesigned some of the features we were offering—I refer particularly to the complexity of some of today's modern home appliances—and our review has brought us back a little, to products which are simpler to operate, a little more direct in their appeal to the customer. Now, and perhaps most importantly in the merchandising review, we have felt that we should provide a more sensitive response to the needs of various markets throughout the country. Whereas our business has basically been dedicated to mass production of a limited number of models, we're finding that one can appeal more attractively to customer's taste in Pittsburgh for example, by certain models of automatic washing machines, whereas in the California market we'll do better with a variation of this model. Accordingly we've been developing a flexibility which permits the distributor in Pittsburgh in effect to design his own machine—not in its basic concept of transmission, water system, etc., but in the optional features which after all are the things which he sells to the customer. We think that this is just one more logical step in trying to give the customer what she wants.

In the presentation of merchandise to the customer, we are changing the emphasis of our advertising to bring it a little closer to the point of sale. In other words, we think in times like this one will get the maximum mileage out of point-of-sale advertising that is as close as possible to the customer and the dealer. The institutional type (which is an important part of course in the long-range company planning) is not effective in stimulating today's sales and, therefore, I find in our promotional thinking, the swing to the local, direct, buy-today appeal.

One of the basic functions of management of course is to operate a company at a profit. When one experiences a decrease in sales, it's just plain good business to review the level of expenses and get the operation in line with the reality of the day. Accordingly, we have tightened up our ship all along the line. We have stopped expecting the next week's sales to suddenly rebound to last year's level and we have realistically budgeted our operation throughout the corporation so that at the present level (which after all is still very high indeed), we should show a profit. This adjustment process, of course is a difficult one in any business, but there are, however, some very great byproducts which are good. We find that the organization buckles into the

job with more vigor than ever and there is a certain atmosphere about the place of complete confidence that our business is going to make a respectable showing under these new circumstances. (And gentlemen, if confidence is important now for the buying public, it's twice as important for the internal fiber of your business.) In the operation of our business over the past 15 years it has been our practice to discuss, regularly on a quarterly basis, with every member of management—and to us, management is everyone on salary—exactly how the business is progressing in full detail. At these sessions of small groups of managers, which are usually conducted by an officer of the company, we have an open exchange of questions and answers—with no holds barred. Therefore, it was perfectly natural for us to discuss at this time the present facts of life and to lay out to our men with complete forthrightness, the steps which we proposed to take to adjust our operations to conditions. It is interesting to me that in this particular round of quarterly meetings, which incidentally I personally conducted, and in which we outlined the organizational adjustments as well as merchandising adjustments that were to be made, we received the most spontaneous response and enthusiastic approval of any of the subjects that I can recall discussing in the past. It simply meant to me that our people, and I'm sure this is true of all of your people, are perfectly conscious of the hard economics of business life and are eager to put their shoulders into a plan that makes constructive sense for their particular business, even if at the moment it may be a little painful. Now, in this tightening of the ship we have been selective of course. We feel that it would be sound policy to make some exceptions which are essential for the long-range health of the business but which do not necessarily contribute to today's profits. In this category I particularly have in mind engineering. Because it can be said, in a broad sense, that engineering and creative design will become the most potent future factors in persuading the customer to buy. If the new model is truly better than the old one in function and value, she will replace her present appliance with this latest creation of the engineers. If not, she will make the old one do.

Now as to prices. It is essential that the company remain sound and since the profit margin of the appliance business has crept drastically close to the break-even point we do not feel that the avenue of further general across-the-board price reduction is available to us at this time. In this connection, it is very interesting to note that, according to the United States Bureau of Labor Statistics (1947-49 base), the prices charged for household appliances in general have declined about 14 percent since 1947, whereas for example, the price of steel has increased 91.5 percent, the price of food 20.3 percent, and the price of automobiles 42 percent. So much for the review and recast of our present products and present operations.

The most important effort, I believe, and the one which shortly should be most productive, will be our work on new products. And here I return to the importance of engineering. It seems to me that the continued health of the appliance business depends upon the speed with which new and better products are created. That is to say, the rate of obsolescence of present equipment will be a prime factor in tomorrow's sales. Accordingly, since January 1 we have invested rather important sums of money, not only in design and tooling and creation of new products, but also in facilities and tools necessary for their production. Now, of course, when one feels the need for new products to bolster uncertain sales, you can't simply call up the engineering department and says,

"What's new today boys? Let's get it out because we need more business." If you haven't built a pretty broad base of creative inquiry in recent past years you won't find much in the cupboard now. But it is possible in many circumstances to accelerate the plans that you have already had working and bring forward the introduction of attractive new things.

In our own case, the best illustration I can give you is the important program we have launched in the gas-appliance field. Although we have made certain gas home appliances for over 10 years, we became convinced last fall that the field was, in reality, a neglected phase of appliance engineering and manufacture. In the forward rush of electrical appliances of all kinds since the war, the whole family of gas home appliances has received less than its share of engineering. It came into focus as an enormous market that could and should be developed in parallel, if you please, with the technological advance of electric home devices. So here emerges a business decision of the classic kind. In the face of a soft appliance market, do you play it safe and defer your push and your gamble until customers appetites are more robust, or do you seize the opportunity and press forward? We chose the latter course. In fact, in our minds, the bold course is the safer one. Our plan was fairly straightforward, but since it involved what, for us, was an important sum of money, we first checked our proposals with most of the gas utilities in the country and other leaders in the gas field. With their enthusiastic encouragement we made the plunge. Perhaps the keystone of the program is the domestic gas refrigerator. Such a domestic refrigerator has been manufactured in years past by another manufacturer and there are approximately 3½ million satisfied users of these refrigerators. The product went out of production some time back because of particular business circumstances and it has been our feeling that to restore this appliance to the market would be a constructive thing to do and would also add to the general volume and activity in the refrigerator business. Accordingly, we have, in the last 4 months, invested something of the order of 10 or 11 million dollars in this program and we have acquired added facilities of three-fourths of a million feet of floor space for the production work. Manufacture of this product is currently employing 725 new people and we hope this will become an even larger force, from the employment point of view, as the months pass. Of particular importance in this individual case is the fact that this product gives the gas utilities an appliance to which they can apply their very excellent selling skills and which, therefore, has opened up a new avenue of appeal to the final customer. The gas absorption refrigerator is thought by many to have certain superior characteristics and with the unique and really skilled specialty selling that the gas utilities do command, we think that this offers one more opportunity to stimulate the customers appetite to buy.

Flanking this product, we have introduced new models of gas ranges and that important new home appliance, the gas-fired washer-dryer combination. These and others are to be marketed as the first all-gas kitchen under one nationally advertised brand name.

Supporting this immediate action, we have more than tripled our engineering work on gas appliances, and we are hopeful (I should repeat "hopeful") of having ready by the end of this year a truly exciting new concept in gas cooking.

This emphasis on gas appliances is in no way diminishing our attention to the electrical end of our business—now we are driving ahead with a two-pronged attack on the customer's needs and desires.

So I summarize by saying that my company is brushing aside the fluff and reexamining

the A B C's of our business. Very frequently you will find that some of the ordinary things upon which you built your business have somehow gotten lost in present confusion and are not being done at all. Somehow, in the search for the magic formula or the gimmick or the panacea that will solve our problems, we've lost sight of the fact that the A B C's of our businesses comprise our true strength and are the things on which we must focus with increased vigor when times become uncertain.

Therefore, Whirlpool is doing three things. First, we are tightening up our belt. Second, we are presenting exciting new products and new models to the customer in an attempt to entice her to unlatch her purse strings and buy our wares. And third, we are presenting these new things to her on a more sensitively conceived plan to appeal better to the characteristics of the local market.

I conclude by saying to you that our organization is not panicked or hysterical about this current problem. We are concerned, of course, as we should be, and we are redoubling our attentions to the fundamentals of our business with vigor and the expectancy of future successes.

GENESIS: ONE COMPANY'S PROGRAM TO COMBAT THE BUSINESS RECESSION

(By Charles H. Percy, president, Bell & Howell Co., presented at the economic mobilization conference of the American Management Association, the Hotel Astor, New York City, May 20, 1958)

There's an old saying that everyone talks about the weather, but no one does anything about it.

But when it comes to the economic climate, this is not—and should not—be true. Something is being done—and more must be done.

At this meeting we are considering very specific answers to the question, What can a business do today to meet and improve the present economic climate?

Therefore, in the next 20 minutes, I will try to show you what one company has done in an attempt to answer the question. Let me say at the outset that we by no means have all the answers. Nor is there a magic formula here—except, perhaps, the one of action; of doing something instead of waiting for something to happen.

If you were to ask me if what we are doing at Bell & Howell is in our own interest, or in that of the Nation as a whole, I could find no way and no reason to separate one from the other.

Certainly, we are concerned with the welfare of the Nation, as any responsible citizen must be. And, if ever a choice must be made, there's no question but that the welfare of the Nation comes ahead of our own.

Yet, we do not live in a welfare state—where our well-being, or even the well-being of the state, is in someone else's hands. On the contrary. The prosperity we want for ourselves, our children, our community, our Nation is indivisible.

And it is something we must create for ourselves.

The fact is that the single biggest contribution any of us can make to the health of the Nation today is the improvement of the business we're in.

That is why we at Bell & Howell have been taking major steps to strengthen our position in the market: by producing better values, and doing it fast. We think this is a very good time to do so.

We are grateful that, for 12 years, we have ridden the crest of an expanding wave of prosperity, with unprecedented sales based on the highest standard of living any people have ever achieved.

As a photographic manufacturer, we've been part of a growing industry. Because we worked hard, and our products were good,

our company grew even faster than industry in general, and ours in particular. But essentially, we have all reaped the benefit of an extremely fair and sunny economic climate, in the postwar decade.

Now, we want to do our full part in helping bring back to America the economic climate of continued growth and development. In this we are under no illusion that any one company, of itself, can reverse a trend. But we are confident that if business—enough businesses—move decisively into positive and forward-looking action, the growth of our economy will soon resume its upward movement.

In taking the following steps, we recognized we were inevitably taking some risks. But after all, risk taking is a function of business management. If we, as American businessmen, don't have the fundamental courage of our convictions about our economic system of risks and profits, who will have the courage and convictions necessary to preserve our way of life?

We cannot believe in profits, without believing in risks.

So, at Bell & Howell, we've taken the risks. And we feel they are, in every way, justified by our objectives of maintaining or increasing employment, sales, and earnings. Here's what we did.

Last year, when the dip in general business activity became apparent, we were faced with a basic decision which can be stated simply, although it took a good deal of determination to see it through. Our long-range planning of new and improved products is done on a 60-month basis; subject, of course, to continuous review. We had three possible choices.

First, we could stick to our carefully laid plans for new product development, plans made in a period of expanding markets.

Second, we could slow up our timetable in order to wait and see what happens. If we did that, we would, of course, slow up our growth and perhaps our increase in market position.

But there was still another choice.

We could gear ourselves for a maximum effort. We could speed up the development and manufacture of these new products; bring them into the market much earlier than originally planned; step up our selling impact on the consumer and trade; reduce selling prices where we could—and so, get the full benefit of these new and better consumer values, when we need them most to maintain our sales and profits.

We decided on the third course of action: to move and move fast. We decided not to drift downward with the general business recession if we could help it.

We therefore undertook a twofold program, which I can summarize for you in two short sentences:

1. We decided to maintain and in some instances increase those expenditures which create new sales and build for the future.

2. We undertook to further reduce and eliminate costs which add very little to the value of our products or future progress.

As for specific, positive actions:

We had a number of new Bell & Howell products in research and engineering at various stages of design. Many were not scheduled for production until the end of 1958 or early 1959.

With the enthusiastic cooperation of our engineering group, this calendar of schedules was moved ahead so that all 9 new products (1 of these a complete product line) could be introduced in March, this year, instead of next year.

Here, for example, is a new movie projector: the first 8-millimeter model which threads the film automatically. It was originally scheduled for the fall of 1958. As a result of our speedup, it was introduced in March and will contribute to our sales throughout the balance of the year.

In terms of dollars, product development is a creative expense. Our 1958 expenditures for research and development will be higher than those of 1957, our previously highest year. For we feel that to cut our expenses here would affect our sales for the next 5 years.

We did more, however, than introduce new products.

We also decided, as a sales stimulant, to reduce substantially the price of one of our fastest selling lines: the 8-millimeter electric eye movie camera.

The first such camera was introduced by us as recently as July 1957; at a retail price of \$169.95, with just one lens.

In March of this year, we brought out 4 new models of the 8-millimeter electric-eye camera, ranging in price from \$99.95 to \$159.95.

This was a reduction in price of about 33½ percent across the board. Yet the new line has a number of improved features; and the top model of the line now has a 3-lens turret. It is now priced \$10 below the single-lens 1957 electric-eye camera—and the price includes all 3 lenses.

At these lower prices, we knew we would have to sell one-third more cameras to reduce our manufacturing costs to the point where we could show a satisfactory profit—on a line that had been a major factor in 1957 sales and earnings.

These lower prices also meant we would have to commit ourselves to manufacturing the additional cameras well ahead of time, to be ready for the increase in 1958 sales we hoped would result from stepped-up advertising, publicity, and the new low prices.

And this decision to step-up our volume called for an expansion of our manufacturing facilities, in order to be able to produce the additional cameras, as well as the eight other new products rescheduled for March of this year.

Again we had to move—and move rapidly. We leased 120,000 additional square feet of space in a nearby plant—incidentally, on a more favorable long-term lease than could have been secured a year before. Moving our warehouse, shipping and other departments to this new space, gave us an equivalent area of added manufacturing space in our main plant.

But we didn't stop there. New machines to automate all possible manufacturing operations also come within the category of creative spending. With these, our spending for capital equipment will represent a 67 percent increase in 1958 over 1957.

Then, we faced the problem of selling our additional product to dealers and the public. We increased our spending here, too: tripling our advertising and promotion expenditures in the second quarter of 1958.

Again, we found it a very good time to be buying in the open market, for we purchased valuable network-television time on four shows at less than its original cost.

Our increased advertising was preceded by an intensive product-publicity campaign, with articles and interviews on the new products in newspapers, magazines, radio and television stations across the country, starting with the introduction date of March 19.

An intensified selling program includes contests as added incentives to sales to and by retail dealers.

During April, May and June dealer salesmen were invited to join our Partners in Profits contest by filling in a postcard telling, in 25 words or less, the features they emphasized for each sale of a Bell & Howell product. Prizes for the contest are shares of Bell & Howell stock—a total of 450 shares. Each dealer salesman can double his winnings by correctly answering a telephone query on "features that sell," an added incentive for him to study the sales features of Bell & Howell products.

Our district sales managers receive points for each dealer salesman entering the con-

test, plus additional points for increased sales. The three top winners will earn a week's vacation—with all expenses for themselves and their wives—at an Arizona resort. A carefree week, I might add, since each man's territory will be covered by one of his bosses while he's vacationing.

The top winner will relax in the knowledge that our vice president of marketing is calling on his toughest and best accounts, following an itinerary laid out by the district manager himself. The next two winners will have the director of sales and the regional sales manager covering their territories, while they bask in the sun in Arizona.

While this promises to be the roughest week of the year for his boss, it will be the reward of achievement for each of the three top district managers—a reward each of our field men is determined to win.

To encourage dealers to tie in with our sales-creating national advertising, additional contests offer cameras to both newspaper and television-station representatives for the most imaginative dealer tie-ins in window displays and local advertising. This means that newspaper and television-station salesmen will be calling on our dealers to develop tie-ins at the local level.

Our traveling sales-training program will further step up sales with intensive how-to-do-it training sessions for dealer salesmen in 17 key cities during the month of May.

Our Retailers' Advisory Council, elected each year by fellow dealers in their geographic areas, has provided a particularly valuable check upon our marketing policies and programs this year.

But what did we do to reduce costs?

In order to minimize the risks of our expanded manufacturing and sales activities, all divisions of the company joined in an intensive cost-reduction program.

At a meeting of our entire executive group, all supervisors, from foremen on up—were given the facts—our plans, what we expected to achieve and the risk involved. Then each man was asked to participate creatively in our program to fight the recession—by reducing costs and increasing productivity in his own operation.

The meeting was followed by a letter mailed to each of our 4,000 employees at his home, a letter in which I outlined the program and asked the participation of each member of our organization.

As we have so often found in the past, Bell & Howell people responded with enthusiasm—and with action.

In purchasing, for example, our buyers sought the help of suppliers in reducing prices. They found that when they talked about increasing orders and standardizing parts, they were welcomed with open arms. Substantial cost reductions were achieved—and in all of them we insisted that quality be maintained or even increased.

Throughout our engineering and manufacturing divisions, men threw away preconceived ideas of what could and could not be done, working together to meet deadlines in the accelerated new product development program. Design engineers and production engineers worked closely together so that necessary changes were made in the design stage, eliminating costly and time-consuming changes in pilot production and final production.

Throughout the company executives of every division worked longer and harder, putting in time and a half without overtime—adopting a 60-hour week to make sure that the 40-hour week in the plant could be maintained.

As an added incentive to our overall program, management salary increases are being granted in 1958 on a contingent basis, to be paid retroactively at year end only if employment stability is maintained and sales and earnings are satisfactory.

Are you wondering how these moves have paid off?

I can report to you that our accelerated program has resulted in encouraging gains to date, with sales, earnings and employment up in the first quarter of 1958. Comparing the first quarter this year with the first quarter of 1957, we show a 21½ percent gain in sales, a 23 percent gain in net earnings, and a 4½ percent gain in total employment.

Sales in April continued high.

As for the year as a whole—who can say?

But one thing I've promised our employees, our management, and our shareowners—we'll not retreat without putting up a very hard fight. As has been aptly said, often the difference between victory and defeat is whether a foot soldier in the ranks shouts, "We'll lose," or "We got 'em."

In summary, then, here are the six specific steps we took at Bell & Howell to strengthen our own position rather than allow ourselves to drift into a recession psychology.

1. We accelerated the introduction of new and improved products, in order to capitalize on their profitmaking potentials.

2. We reduced prices, where we could, to offer consumers a real reason for buying now and to insure our own sales volume.

3. We improved our manufacturing facilities to reduce our production costs.

4. We stepped up our selling effort, through increased advertising and merchandising activities.

5. We reduced all costs, throughout the company, which did not contribute to the value of our products, and the future of our business.

6. We created new management and employee incentives to help make 1958 a good year.

What we have done, many other companies can do and have done, each in its own way. And this is a very good time to do it.

In closing, may I say a word or two about industry public relations in a time of business contraction. With the means of communications available today, we could conceivably talk ourselves further into a depression by spreading fear and uncertainty. Fear and uncertainty are more contagious than the Asiatic flu—and can do a lot more harm.

When your company has good news in any of its divisions, it is well worth taking the trouble to tell it as widely and as effectively as you can. This means making it available to editors in well-documented form; backed by facts, figures and specific comments they can use.

In our plans, our actions, our relations with the public, it is a time to "let our light shine before men that they may see our good works."

The most significant characteristic of the American businessman is his willingness to exchange ideas. In times such as these we need to do more talking together—not about how serious things are or could become—but about what we are going to do to accelerate our progress in the direction of the promising future we know is ahead.

We have the opportunity and the obligation of proving, once again, that the American system of free enterprise—American businessmen doing things the American way—is the best, the soundest and, in terms of human well-being, the most successful way of life in the world.

ORDER OF BUSINESS

Mr. ALLOTT. Mr. President—
The PRESIDING OFFICER. The Senator from Colorado is recognized.

Mr. ALLOTT. Mr. President, a short time ago the Senator from South Carolina [Mr. JOHNSTON] requested that he be recognized. I would be most happy to

yield to the Senator from South Carolina if I am able to obtain unanimous consent that I be recognized at the conclusion of the remarks of the Senator from South Carolina. I make that unanimous consent request, Mr. President.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Colorado? The Chair hears none, and it is so ordered. The Senator from South Carolina is recognized.

MUTUAL SECURITY ACT OF 1958

The Senate resumed the consideration of the bill (H. R. 12181) to amend further the Mutual Security Act of 1954, as amended, and for other purposes.

Mr. JOHNSTON of South Carolina. Mr. President, it is supreme irony that the periodic assault on the United States Treasury, in the name of foreign aid, comes at a time when unemployment plagues the land and thousands upon thousands of American families are compelled to go on public relief, many of them because of foreign competition at home resulting from our foreign aid abroad.

Despite the rosy outlook of official administration predictions that things are getting better and better, economic signposts fail to reveal the heralded improvement.

Retail sales, usually a very sensitive barometer of economic trends, saw April totals fall below those of last year. The reports from the Nation's leading retail establishments failed to record any improvement in April, and also failed to show any pickup for May. The Federal Reserve Board reports that department store sales across the Nation in the first week of May were down 8 percent from 1957; and the rainy weather could not be blamed for all of the decrease.

The climb in personal savings has been halted, according to Norman Strunk, president of the United States Savings & Loan League. The continued cost of living increase, which mounts month by month, obviously is making inroads into savings. Higher prices are taking their toll.

By now, with returns from the country at large generally in, it is established that the You-Auto-Buy-Now campaign has run out of gas and, by and large, was a dud. Dealers sold 362,000 cars in April, or a drop of about 29 percent from April 1957. Production on the automobile front remains down when compared with the corresponding weeks last year.

Salary cuts for executives continue to be the order of the day. White collar workers are also hit by wage reductions; factory employment in the United States fell off 271,000 in April and the number of jobless for 15 weeks or more reached the highest point since 1941, a total of 1,900,000.

Mr. President, these are just a few highlights to show the economic climate of the United States at this time. In the Congress there are pending numerous bills to better our national economic situation. They are confirmation of the continuing slump. If the slump is not likely to continue, why pass such temporary legislation?

It is not a pleasant task to stand here and cite the economic facts I have just presented. It affords me no pleasure to find our beloved land in such economic distress. It is a disturbing and saddening thought to realize that today so many American families find themselves in a tough spot. It is high time to concentrate on putting our own national house in order, repair the economic damage to the United States, and bring to our own free people the full measure of economic security and well-being that our free enterprise system affords.

This business of Uncle Sam playing Atlas has taken its toll. For too long a time now, the United States has been giving of its substance in global hand-outs. We have been so prodigal with our means that we have greatly weakened the economic system from whence poured this great abundance.

And what has this great giveaway program brought us?

On balance, our foreign aid program has created mischief and mistrust in the world, produced a reliance upon "purchased" friends that ultimately could prove to be a terrible weakness in times of military emergency. It has caused us to be scorned as suckers, in some instances strengthened our ideological enemies, and thus indirectly given aid and assistance to the Communists.

I warn the people of this Nation that should any crisis arise between the United States and any other nation, the other nation will look out for itself, and not for the United States, regardless of how much relief we give it.

As to the results on the domestic front, we can say that the fiscal and tax burdens occasioned to support this global giveaway have had an inhibiting effect on American business, caused venture capital to go into hiding, cut the purchasing power of the consumer by tax deductions at the source, and generally have helped put the American economic machine out of whack. Foreign aid is the main monkey wrench in America's economic machinery. These are the results of foreign aid, 13 years and \$70 billion later. Bear in mind that for every cent we have given we have gone into debt. We are paying interest on that debt, and will be paying interest 100 years from now, judging from what is happening today.

One has only to read the headlines to realize how we missed the boat in South America. Our globalists have been so busy shoveling out aid to Europe and Asia that we seriously neglected our American neighbors to the south. We have only to witness the results of the Nixon tour for confirmation of this shortsightedness.

How would any of us feel if he were a South American and the United States had shoveled out billions of dollars to other nations across the sea and had given nothing to his nation?

True, the anti-Nixon demonstrations probably were sparked by Communists: This is in line with red tactics. Yet there was plainly in this protest a noticeable coolness on the part of South Americans to the United States. The Vice President himself acknowledged this. The

whole situation rather gave expression to the feeling of resentment of those people to the neglect accorded them by our Government.

I have long contended, and the record will bear me out, that our country should have been more attentive, more interested in and more zealous of the well-being of South America instead of throwing our billions to the winds on other continents.

The people of South America have been and basically are, our neighbors and friends, our natural allies. They have demonstrated their loyalty and friendship in the past. They have, in solemn pacts, pledged their word and sacred honor to defense pacts for the American continent. In times of emergency, they have joined arms with us in defense of freedom. It is a matter of enlightened self-interest that we encourage and assist them to the fullest economic development; instead, we have treated them shabbily, to our detriment, as our one worlders have ridden off in all directions except southward in their ill-advised crusade.

I intend to offer an amendment to the bill which will provide that one-third of the money in the foreign-aid program shall be used in South America.

We need to reaffirm the Monroe Doctrine in a modern way.

The skies are black with chickens coming home to roost. We once had an excellent policy for South America—Franklin D. Roosevelt's good-neighbor policy. It gave recognition to the fact that our interests had a large element of mutuality. It recognized the common background of our values and civilization—the Roosevelt good-neighbor policy was based in the knowledge that South America was dependent largely upon a raw materials, resources economy, and that it would be mutually advantageous to the United States to assist our neighbors south of the border in the constructive development of their economy.

Another thing, with the principal military threat to the United States being posed over the Arctic Circle it is vital that our back be protected and to this end it is all important that we have the best possible relations with South America. The daily press bears witness to this concept of American defense and it is significant that the effort is presently being made to arrive at some arrangement of aerial inspection over the Arctic theater to insure against surprise attack by any power. While guarding against attack from the north, we must not be surprised from the South American continent, nor stand by and let our Latin American friends be surprised.

The neglect of the Roosevelt good-neighbor policy by the Eisenhower administration is paying dark dividends. And the sad part of it all is, the attention that was diverted from South America and showered upon the rest of the world along with our billions of dollars, have brought us only a harvest of weeds. The foreign-aid program we began with lofty ideals and open pocketbooks—the \$70 billions scattered to the winds to friend and foe alike—finds its present

renewal in the form of a \$3.9 billion request to be spent, according to its authors, with no strings attached.

Mr. President, think of it, \$3.9 billions for another giveaway of hard-earned American tax money; \$3.9 billions for free-wheeling distribution, and this at a time when more than 5 million Americans are out of work. Is it any wonder we are the object of ridicule in so many capitals of the world?

One wonders when we are ever going to learn our lesson. It is a terrible reality to see our economy struggling to maintain stability, our unemployment unabated, our unemployed in want of more unemployment compensation, prices at a record peak, taxes unbearably high, and the administration fighting a needed tax cut while some still cry out for more foreign aid. At the same time the administration states that we will incur another deficit this year.

This is the same administration that is reluctant to favor a needed public works program to meet the growing requirements of an America of some 170 million people; that has opposed a competent extension of unemployment compensation pay, that has set its teeth against an advisable tax cut, an administration that largely confines its aid to the American businessman, to soothing-sirup predictions. This administration is not just going through the motions on this foreign-aid bill but is really shooting the works.

By what strange motivation does an administration that daily reads of mounting business failures in America, of the increasing distress of small business, of plant layoffs and factory closings, and hundreds of factories running 3 days a week instead of 5—by what strange reasoning does the administration choose to blink at such dire happenings on the American scene and concentrate its efforts in urging the vigorous continuation of giveaway programs, which bolster foreign agricultural and industrial production which is in direct competition with our industry, our workers, and our farmers? God save us from ourselves.

As I travel through my State I find cotton mills running only 3 days a week because the money which the United States gives away in the name of foreign aid is used in competition with the industrial workers of South Carolina and the other industrial areas of the United States. Labor in my State, in the cotton mills, receives from \$1 to \$1.35 an hour. In Japan labor receives from 12 to 16 cents an hour. That is the competition we must meet when we start to sell our goods in the market place. That is because of the giveaway programs our Government is undertaking. When we go out into the world markets we find that cotton sells at 8 cents a pound cheaper than we can make it in the United States.

Not only does the Eisenhower administration go all out for the adoption of the foreign-aid program, but it enlists the services of high-powered outside help to stage Hollywood-type premiere shows to gaff up the deal and presumably overawe the American public. Unless I miss my guess, it is going to take more

than movie razzle-dazzle and spectaculars to persuade the American head of a family who is out of work that it is more advisable to finance woofle chasing in Nepal than to invest American public funds in reviving the American economy, with jobs at the end for every available worker.

Mr. President, I wonder if our policy-makers have forgotten the moral of the fable, Killing the Goose That Laid the Golden Eggs. The pursuit of the giveaway policy will do just that: It will produce an impossible-to-support tax and fiscal burden so that the American economy will not recover full strength for many a day, thus compounding the evil of undermining the best economic hope of the world and rendering the American giant helpless at a time when he needs full strength to cope with a formidable Communist enemy.

The plain fact is that unemployment-ridden America cannot support giveaways. Americans must be working full workweeks, not part-time weeks, if they are to be able to finance the military commitments which our Government has underwritten. The best possible thing we can do for the freedom-loving people of the world is to get America back on the level of prosperity and economic stability. In this way we can fulfill the tasks necessary to survival in freedom. We are threatened with ultimate socialism if we do not turn away from this endless sap-draining program which has become a parasite on our free economy.

Year after year it is necessary for Congress to raise the debt limit. What does that mean? It means that year after year we are going deeper and deeper into debt. More and more taxpayers will have to pay interest on the debt in the future. In every instance, this is because of the money we have given away and propose to continue to give away to other nations.

Mr. President, the Richmond Times-Dispatch of Sunday, May 11, published a feature story entitled "Nepalese Critical of American Aid." It was an Associated Press dispatch sent from Katmandu, Nepal. I take the liberty of reading the first three paragraphs from the dispatch, which is dated May 10:

The United States foreign-aid program has become a political football in this mountain kingdom 11,000 miles from Washington.

Some Nepalese politicians have little good to say for a program that already has pumped more than \$10 million into the Illinois-size realm and this year will spend \$10 million more.

The most extreme critic, former Prime Minister K. I. Singh, contends the aid program is actually hurting America's prestige here.

It is going to take more than Hollywood-style shows to put over the foreign-aid promotion this time. The American public is aware that it is being fed a constant stream of slogans from this slicker group, representing special interests—slogans, but not facts. Hoopla and the iron fist are being used to try to stifle criticism of foreign aid this year. But it will not work because the cry of the American people for economic justice at home is too insistent and because this

year John Q. Public will not be "bam-boozled."

Mr. President, I have opposed foreign aid consistently, year after year. I am proud of my record in that respect.

May I inquire, who is there to speak for and try to represent the seemingly forgotten American taxpayer? I, for one, feel that as I am here in the United States Senate as a duly elected representative of the people of South Carolina, it is my solemn obligation in fulfilling the trust of this office to speak for the people I represent. I would be more than derelict in my duty if I did not voice my strongest protest to the continued and apparently endless draining of our hard-earned dollars out of the pockets of our own citizens and scattering them over the face of the earth. When, oh when, will we be given an opportunity to keep some of our tax money at home and try to set our own house in order?

Mr. President, before we pour out additional billions and billions of the taxpayers' dollars for foreign aid, I should like to have the question submitted to the people for a vote. I have no doubt what the answer would be, if we gave the voters of the Nation the right to vote upon this matter.

We are being coerced through fear, fear, and more fear. We are being browbeaten with the scare phrases and clever slogans again and again. We are told that continued aid is necessary because the alternative is that all the recipient nations would become communistic without such financial assistance. The doom prophets cannot substantiate with facts their predictions that all is lost unless we continue foreign aid.

Mr. President, all a country needs to do to get aid from the United States is to threaten to join with Soviet Russia. If the country has been receiving aid from us, it will get more. If it has not been getting aid, it will then receive aid. That seems to be true in every instance.

The strain on the Soviet economy of building a war machine and meeting the needs of her own people is already beginning to tell. Khrushchev has plenty on his hands in endeavoring to meet the growing consumer demands of the Russian people. We may be assured that the flowery talk of Soviet-aid programs to other nations will largely evaporate in the air of broken pledges. We must not be intimidated into the policy that either we must get there first with the most giveaway or the Soviets will beat us to the punch. Russia will find plenty to do in fulfilling the economic requirements of her own domain.

Mr. President, after 13 years and almost \$70 billion, do we have any more friends today throughout the world than we had at the end of the war? The answer is plainly "No." Since World War II, communism has gained a hundred million new converts yearly, while we have failed to inspire others with our ideas of freedom and liberty. Instead of trying to lead other nations by example, we have been trying to buy them.

In a great many instances when I have visited nations into which we were pouring our money, I have seen signs reading, "United States Get Out," or "Let

Us Alone," or "Let Us Run Our Own Affairs." I have seen such signs painted on many buildings in foreign lands.

Can anyone deny that in many instances our dollars have subsidized socialism and communism and have created in certain areas more unrest than existed prior to the aid?

Are not we in certain instances actually working against the interests of American industry? After World War II, we gave Japan vast financial aid to repair her textile industry. South Carolinians were taxed to buy machinery for these reactivated mills. Today the same South Carolinians are losing money and jobs because of goods produced on those machines, and imported to this country in violation of voluntary quota controls set up by Japan. Bear in mind, too, Mr. President, that our Nation has refused to impose any quotas whatsoever, but has left it to Japan to determine just what quotas she would impose. Our neglected South American friends are, too, buying Japanese textile goods, instead of South Carolina-made textile goods.

Does anyone actually believe that Russia would pour out over \$70 billion in aid to other countries, even to her own satellites and friends? Of course, we know that any Soviet aid is advanced—or rather, held out as a promise—for one purpose, and one purpose only; namely, to help in the conversion to communism. Where is the dam Russia promised Egypt? It has not yet been built, and it will not be built.

It is proposed that \$98 million—I refer now to only millions of dollars, Mr. President, not to the billions of dollars to which we so often refer, these days—of our taxpayers' money be sent to Communist Poland. Mr. President, why should we send \$98 million of our taxpayers' money to Poland? Yet we propose to hand over that money to the Communist leaders of Poland. But what is happening in that country? Let us remember, too, that when we give money to these countries, we pour it in at the top, not at the bottom; we just hope a little of it will trickle down to the bottom.

According to recent newspaper accounts, freedom—even freedom as it is known in Communist Poland—is being curtailed constantly by Red directives. There has been a tightening of press censorship and of book publication; and, in general, there has been a stricter following of the Moscow edicts. The press further reports that in the face of strong pressures, Polish contacts with the West are being maintained. But from reported events we must conclude that we are losing there, in spite of—or because of—our aid. Just now, Gomulka is telling the world that the Russians did right when they brutally crushed the Hungarians and pulverized Budapest. And our foreign aid helps keep Gomulka in power.

Yes, we have helped the Hungarian Communists keep the rebellious citizens in hand by our contributions to that country. What must the Hungarian patriot think of our aid to his Red masters?

As for the \$1 billion India is now seeking; it is interesting to note a recent poll result which was reported in our leading newspapers. The polltakers asked citizens of New Delhi the question, "Who is doing more to help the peace of the world, Russia or the West?" Fifty-four percent of those questioned were reported to have thought that Russia was doing more, and 18 percent thought the West was doing more, to help the peace of the world. We have no prior poll on this question for comparison, so it is pure conjecture on the part of the proponents of this aid for India to state that by continuing the sending of our dollars to India, we can increase the percentage of those who favor the West, over Russia. For that matter, who could dispute the argument, based on this poll, that our aid had lost us friends in India? Personally, I consider these percentages more indicative of the feelings in that country toward the United States, with or without aid.

It would be incorrect for me to say that in the past our foreign aid has not helped in certain areas and has not reflected some credit upon the United States. I, for one, do not believe it would be possible, even under the present administration, to pour out nearly \$70 billion and not gain something of value.

Mr. President, I contend that our dollar diplomacy can never, and should never, be a substitute for a policy of honesty and fair dealing in our relations with other nations. But we seem to have fallen into the habit of trying to resolve all our difficulties by appropriating more and more money. When we find that we are losing ground in one venture or another, our reasoning seems to have become, then the way for us to succeed is to hand out some more money.

In 1947, Mr. Henry Hazlitt, to whose articles I have often referred, wrote a very illuminating book entitled, "Will Dollars Save the World?" Mr. Hazlitt concluded, with facts and figures to support his contention, that dollars cannot save the world. One of his conclusions, in dealing with foreign aid, was, in part:

And it (the United States) can do more for world revival by making its own economy sound and strong and free than by trying to put temporary props under economies built on the treacherous foundations of totalitarian controls.

Mr. President, in my opinion, today our country would be much stronger at home, and would be in a better position as a leader among nations, if we had heeded the conclusions Mr. Hazlitt gave us in 1947.

While we are urged to keep up and to expand our high foreign commitments, the very first line of defense in our own land—that is, our National Guard—is being weakened. The unit of our defense strength which is in each State, and is available for service in time of war or national or State emergency, is to be curtailed, so that our tax dollars can be kept flowing to our foreign friends, would-be friends, and foes in other lands.

We are told we must continue to help the Communist leader in Poland. But

we are then told that here at home we must cut back on such vital projects as hospital construction and medical research.

We are admonished that our tax dollars must be poured overseas, to stimulate foreign crop production, while here in our land our own farmers—certainly the first line in our economic structure—see farm income dropping, farm production dropping, the cost of living rising higher and higher, and more and more American farmers walking helplessly on our city streets, looking for work.

In fact, Mr. President, during the last year 1,800,000 farmers left the farms in the United States, while the population was increasing by approximately 3 million.

I refuse to go back home and tell my farm friends, my friends in the textile industry, or, in fact, any taxpayer in South Carolina, that although their load is heavy, and no doubt will become heavier, it is absolutely necessary that we continue to use their tax dollars to support foreign ideologies. Instead, I intend to go home and tell my friends that I will continue to vote against and to work vigorously against these foreign aid giveaways, because I believe to do so is in the best interest of our country. For the survival of America, I think that today nothing is needed more than an end to foreign aid.

President Eisenhower has recently vetoed the Flood Control Act of 1958, saying that many of the projects included in it are sound, but some others are not justified. In vetoing this bill, the President said: "I cannot overstate my opposition to this kind of waste of public funds."

The Flood Control Act, which the President calls waste, provides for American projects, designed to help our own citizens and our own country. Before we continue to build dams, dredge rivers, and promote irrigation and flood control projects all over the world, can we not take care of a few such items at home? What bigger pork-barrel legislation has there ever been than this uncontrolled, no-strings-attached foreign aid?

My people would be extremely hard to convince that all, or even the majority, of President Eisenhower's mutual aid program is justified.

In vetoing the Flood Control Act, the President said:

It would authorize 4 projects * * * on which adequate reports have not yet been submitted * * * it is, therefore, not possible to determine whether their authorization would be in the public interest. * * *

Bear in mind that the bill the President vetoed carried hundreds of projects to be constructed throughout the United States, but only on four items was there not quite enough information. On the other hand, money is given to foreign countries without any strings attached whatsoever.

Relying upon information from the International Cooperation Administration, the United States taxpayer furnished the money to build a 100-mile stretch of highway in Thailand which was originally estimated to cost \$6½

million, but which has ballooned to the staggering sum of \$22 million, or more than three times as much as the original estimate; and, as reported by this agency, road construction began before the completion of engineering studies and cost estimates. I wonder if President Eisenhower looked at that before he spent that amount of money? I repeat: Road construction began before the completion of engineering studies and cost estimates. It was arranged that engineering would proceed concurrently with the construction. What can this be labeled but a clear example of improper planning and inadequate reports? But the administering agency says "This project is considered fundamentally sound in concept and execution." Yet, in our own United States of America much more necessary projects are termed waste. Apparently to this administration waste and poor planning are sound policies when on foreign soil at the expense of the American taxpayer, but only become wasteful and poorly planned when they are for Americans here in my homeland.

Mr. President, according to information from the International Cooperation Administration, the United States taxpayers have financed two dams in Afghanistan for irrigation and flood control purposes. I assume cotton and probably wheat will be grown there, in competition with our farmers.

We have financed the building of highways in Jordan. We have spent millions to provide water facilities in Lebanon. The news from Lebanon is anything but heartening. American libraries have been burned and sacked. Anti-Americanism has run high. Such are the returns of our foreign aid expenditures, and regrettably such reaction is all too typical. We have helped erect cotton mills and flour mills in Korea; and we have handed out American tax dollars to purchase and install automatic looms in many, many foreign textile mills.

I wonder how many of our citizens know that United States Treasury checks have been given to foreign governments for budget support? Our municipalities and States are struggling to meet current necessities—our national debt is going up and up—yet we are told that we are justified in taking tax money for budget support in some foreign country. How far are we to carry this sort of reckless thinking and spending? Until our country is completely broke and bankrupt?

It would take days to list all the examples of extravagance, waste, and misuse of foreign aid funds. Again and again Members of our Congress have spoken out against various aspects of the foreign giveaway program.

Many Senators who have visited foreign countries on their return to the Senate have reported on their visits time and time again. Well do I remember the report of the senior Senator from Louisiana [Mr. ELLENDER], who reported to the Senate, after traveling the world over, on the condition we are in because of our giveaway program and the enemies we have in foreign countries on account of it.

Mr. President, I contend that we must call a halt to the handouts, giveaways, and aid to foreign nations.

Have my colleagues asked themselves and the taxpayers these questions:

Do you want your tax dollars to continue to support foreign regimes which say they are opposed to communism, but whose ultimate goal is identical with communism, such as Poland, Hungary, and Yugoslavia?

Do you want our dollars handled by a group of internationalists whose first thoughts are for some foreign ideology, whose last thoughts—if ever—are of America's interests, and whose goals are to see how many foreign cars or foreign textile products they can send to our country while our own people go unemployed?

Do you want your America to play poker with foreign nations in which we put up the stakes and chronically lose everything because the rules are not our own rules and the results are decided against us in advance?

Mr. President, I sincerely believe the people of our great Nation will not be brainwashed into accepting foreign aid as necessary and in our own interest when actually the reverse is true. Our country is becoming bankrupt at home and losing friends abroad, largely because of this foreign-aid program. We are weakening our Nation, depriving our citizens of worthwhile projects; and for what? To follow the road to self-destruction, I fear.

What can we do? At the moment we can render our taxpayers and our Nation a great service by refusing to support this latest giveaway proposal. Next, we can begin to act like Americans again and heed the admonitions and advice of our first President in his Farewell Address.

Finally, we can, and must, turn the confusion and waste of a distrustful and moth-eaten foreign policy of dollars into a virile, stable, and lasting foreign policy constructed upon mutual protection and mutual trust. Without such a change we are doomed to bankruptcy and eventual scorn and hatred such as the world has not seen since the Roman Empire crumbled apart.

Well do I remember the first plea which came to the Senate. It was a plea that we permit England to borrow \$3,750 million. I spoke against it, telling the Senate at the time we would never get the money back and that we would never receive interest on it. As Senators know, we did not charge any interest for a long time. The first time interest fell due, England came running to us, asking us not to require them to pay the interest. We with a big heart gave them that privilege. A bill passed the House and the Senate which extended the time permitted England for payment. At the same time England, from the standpoint of internal affairs, was in far better shape financially than the United States.

We let that go by. That was another giveaway. I am predicting that when we collect the first loan to England—that \$3,750 million—it will be a cold day in August.

Mr. ALLOTT and Mr. HUMPHREY addressed the Chair.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLOTT. Mr. President, I will explain the situation to the Senator from Minnesota.

I yielded the floor some hour ago so that the Senator from South Carolina might deliver his address. At that time I asked unanimous consent that I be recognized at the termination of the Senator's address.

If the Senator from Minnesota desires to make some insertions in the RECORD at this time, I will be happy to yield to him. I have a rather short speech which should take 10 or 12 minutes.

Mr. HUMPHREY. I shall be happy to wait my turn. The Senator has been most courteous with other Senators. I do not want to impose upon the Senator's time.

Mr. ALLOTT. Mr. President, before proceeding with the remarks which I have prepared concerning a different matter, I should like to comment that I hope, during the next few days, to answer the remarks made by the Senator from South Carolina. The hour is late. I know not only the Senators but the staff members are anxious to avail themselves of the long weekend, so I shall not now pursue the matter.

It is perfectly obvious to me why we have not been more successful with our foreign-aid program and why few people understand it. It is inconceivable in this day and age that anyone could believe we could erect a wall around the United States—that we could do without tin from Malaya; that we could do without rubber from Africa, South America, and East India; and that we could do without other rare materials, including oil.

I find it a little hard to understand, since all the information is available, how such a position can be considered rational in this day and age. I find it hard to understand, particularly when I realize that the States of the area from which the Senator comes have lowered taxes and given tax preferences in order to bring textile industries to the Southern States while taking them away from other States.

I find it hard to understand when I know, as the Senator must know, that we export \$20 billion worth of goods every year, and import only \$13½ billion worth of goods. This export program brings employment to 5½ million people. I am speaking of 5½ million people. There is a recession. No one is unaware of the recession. My own State perhaps happens to be more favored in this respect, and for that we are truly grateful. Five and a half million people would be thrown out of employment if our export trade should cease. That is no unsubstantial amount of employment to be considered.

I cannot quite bring myself to understand how we can disregard the poor countries of the world which are trying desperately to gain for themselves the things we have had so long. I care not whether the color of the people is black, brown, or yellow. All one needs to do is

talk with some of those people to find out how much they desire the things we have.

I think perhaps this is a good time to point out that during my service as a member of the Interparliamentary Union I have had occasion, and I have made the occasion, to talk with members of many of the still underprivileged countries, such as Vietnam, Laos, Cambodia, Thailand, the East Indies, the Sudan, Ghana, and many others. I am convinced that most of the people of those countries want essentially the things which we wanted bad enough to fight for and bad enough to cause us to stage a tea party in Boston Harbor.

First of all, those people want a full stomach, and with that the things which go with a full stomach—education, housing, and medical facilities.

The second thing those people want is the right for their countries to be recognized as nations among the family of nations.

The third thing those people want is the opportunity to achieve in their own way and in their form a kind of self-government which satisfies them. We have no right to dictate the form.

If the United States of America helps those people fulfill these three ambitions, it will violate no long cherished traditions or beliefs of its own. If we do so we will only build up our own cherished beliefs and ideals. This is the essential principle of American policy.

President Eisenhower talked about being sloganed to death. I suppose the opponents believe that if they yell "give-away" long enough they will slogan this policy to death. This foreign aid policy enables the backward, underdeveloped, underprivileged nations of the world to build themselves up, to be self-supporting, and resistant to communism. The opponents feel if they call out "give-away program" long enough they will be able to wreck the program. I think they will probably ruin the last chance of the United States to secure the cooperation of these great undetermined, uncommitted nations of the world.

Mr. President—

The PRESIDING OFFICER. The Senator from Colorado.

STABILIZATION OF THE MINING INDUSTRY

Mr. ALLOTT. Mr. President, on May 26, Monday of this week, the Senator from Montana [Mr. MURRAY] by request, introduced S. 3892. This is the administration bill to stabilize production of copper, lead, zinc, acid-grade fluorspar, and tungsten from domestic mines by providing for stabilization payments to producers of ores or concentrates of these commodities.

I send to the desk intended to be proposed by me amendments to S. 3892. I do so, Mr. President, in full awareness that my distinguished colleagues know that our miners are in trouble.

The PRESIDING OFFICER. The amendments will be received, printed, and appropriately referred; and, without objection, the amendments will be printed in the RECORD, together with the section-by-section analysis.

The amendments were referred to the Committee on Interior and Insular Affairs, as follows:

On the first page, between lines 2 and 3, insert "Title I."

On the first page, line 3, strike out "That this" and insert in lieu thereof "Sec. 1. This."

On page 7, line 21, strike out "act" and insert in lieu thereof "title."

At the end of the bill insert a new title as follows:

"TITLE II

"Sec. 21. There is appropriated for each fiscal year, beginning with the fiscal year ending June 30, 1959, an amount equal to 70 percent of the gross receipts from duties imposed under paragraphs 391, 392, 393 and 394 of the Tariff Act of 1930, as amended, during the period January 1 to December 31, both inclusive, preceding the beginning of each such fiscal year. Such sums shall be available until expended and shall be maintained in a separate fund that shall be used by the Secretary as provided in this title.

"Sec. 22. In addition to any payments under title I of this act, the Secretary shall make limited tonnage payments, upon presentation of evidence satisfactory to him of a sale of newly mined ores, or concentrates produced therefrom—

"(1) to producers of lead,

"(a) as long as the market price for common lead at New York, N. Y., as determined by the Secretary, is at or below 14½ cents per pound, at the rate of 1.6875 cents per pound on not to exceed 350 tons per quarter per producer; or

"(b) as long as the market price is above 14½ cents per pound but is below 17 cents per pound, at the rate provided in preceding clause (a) reduced by an amount equal to 75 percent of the amount by which such market price exceeds 14½ cents per pound, on not to exceed 350 tons per quarter per producer; and

"(c) no payment shall be made under the provisions of this section to producers of lead when such market price is equal to, or exceeds, 17 cents per pound; and

"(2) to producers of zinc,

"(a) as long as the market price for prime western zinc at East St. Louis, Ill., as determined by the Secretary, is at or below 12½ cents per pound, at the rate of 0.9625 cents per pound on not to exceed 350 tons per quarter per producer; or

"(b) as long as such market price is above 12½ cents per pound but is below 14½ cents per pound, at the rate provided in preceding clause (a) reduced by an amount equal to 55 percent of the amount by which such market price exceeds 12½ cents per pound, on not to exceed 350 tons per quarter per producer; and

"(c) no payment shall be made under the provisions of this section to producers of zinc when such market price is equal to or exceeds 14½ cents per pound.

"Sec. 23. Out of funds made available for the purposes of this title and not expended under the provisions of section 22 the Secretary may—

"(1) under such terms and rules and regulations as he may deem appropriate and necessary, make loans for financing and refinancing operations of (including standby operations), and for maintaining, replacing, repairing, and equipping and reequipping, mineral-producing facilities in the United States, its Territories, and possessions, and for research into the basic problems of mineral production; and any such loan—

"(a) shall bear interest at a rate of not less than 3 per centum per annum;

"(b) shall mature in not more than 10 years;

"(c) shall be made only in cases where necessary financial assistance is not otherwise available on reasonable terms; and

"(d) may be modified with the consent of the Secretary with respect to the rate of interest, time of payment of any installment of principal, or terms of security; and

"(2) provide for such programs of research by public or private organizations, other departments or agencies of the Government, or within the Department of the Interior, as he may deem appropriate to assist in the development of the domestic mineral resources of the United States, its Territories, and possessions."

The section-by-section analysis submitted by Mr. ALLOTT is as follows:

SECTION-BY-SECTION ANALYSIS

Section 21 of title II appropriates on a continuing basis, available until expended, 70 percent of the revenues derived from the tariffs on lead and zinc ores, concentrates and minerals. Such revenues, estimated to be approximately \$10 million per year, would be placed in a fund to be used by the Secretary of the Interior as provided in sections 22 and 23.

Section 22 provides, in addition to the stabilization payments authorized by title I, limited tonnage payments to producers of lead and zinc. The payments authorized by this section, in conjunction with the payments authorized by title I, will result in a return to producers, on a limited quantity of their production, equal to the return they would receive were the price of lead 17 cents per pound and the price of zinc 14½ cents per pound.

Section 22 (1) provides for payments to producers of lead of 1.6875 cents per pound when the market price is at or below 14.75 cents per pound. This represents the historic mine share on this increase in market price, that is, 75 percent of the difference between 14.75 and 17 cents per pound. Such payments would be made on the first 350 tons production per quarter of each domestic producer of lead. At such times as the price is above 14.75 cents per pound but below 17 cents per pound, the limited tonnage payment would be appropriately reduced. The payments would be suspended during such periods as the market price was equal to or exceeded 17 cents per pound.

Section 22 (2) provides for payments to producers of zinc of 0.9625 cent per pound when the market price is at 12.75 cents per pound or below. This is equal to 55 percent of the difference between 12.75 cents per pound and 14.75 cents per pound. This represents the historic mine share on this increase in market price. Such payments would be made on the first 350 tons per quarter of the production of each domestic producer of zinc. At such times as the price is above 12.75 cents per pound but below 14.50 cents per pound, the limited tonnage payment would be appropriately reduced. The payments would be suspended for such periods as the market price was equal to or exceeded 14.50 cents per pound.

Section 23 authorizes the Secretary to use the remaining funds not required for limited tonnage payments under section 22 for (1) loans for financing and refinancing of (including standby operations), and for maintaining, replacing, repairing, equipping, and re-equipping mineral-producing facilities in the United States, its Territories and possessions, and for research into the basic problem of mineral production; and (2) provisions for such research programs as he may deem appropriate to assist in the development of domestic mineral resources.

Mr. ALLOTT. In my own State, and in those of some of my colleagues, the effects have been drastic. We literally have grass growing in the streets of once proud, but now rotting, mining towns. Unemployment and other economic effects are not limited to the miners alone.

The impact was felt throughout the communities basically dependent upon mining income. Then it was felt through the supply industries and related processing groups. It can become a blight upon a whole State and an entire region.

Mr. President, our miners cannot hold even to hope much longer. The lead and zinc industry has sought relief from the Congress, the Tariff Commission and the administration year after year—and particularly in the past 5 years. Notwithstanding unanimous findings by the Tariff Commission on two occasions that substantial damage from imports is resulting, the lead-zinc industry remains without relief, other than the temporary assistance of stockpiling for the Nation's defense.

Many of our lead-zinc mines are closed. That, by the way, includes most of the smaller ones. In the first quarter of 1957, the domestic miners were producing at the annual rate of approximately 600,000 tons of zinc and 355,000 tons of lead. These rates now have been reduced to about 420,000 tons of zinc and 270,000 tons of lead. There is no improvement—and little help—in sight.

Where there is little or no continuing operation, there is little incentive, and no funds for the research and development work which might bring our miners closer to a position of true competition with foreign mines.

My bill provides, I believe, a formula which can revive the hopes of miners; give them the help they need; bring them a chance to build for a future. Together with the administration proposal it will make possible a stable, profitable mining industry without interfering unduly with our foreign policy or with the mineral economies of our foreign friends.

Briefly, my formula would provide that 70 percent of the revenues from lead and zinc tariffs would go into a special fund from which the Secretary of the Interior would make payments in addition to the stabilization payments he has proposed, on a limited tonnage basis, to give our miners the equivalent of a 17-cent price for lead and a 14½-cent price for zinc. Based on tariff receipts in 1956 it is estimated that approximately \$10 million would be available thus to support the first 350 tons of production of lead and zinc for each producer at the equivalent of 14½ cents for zinc and 17 cents a pound for lead. My best information is that approximately half of the moneys derived from tariffs would be required for these production payments.

The bill provides that the balance would be used for research and for loans for financing and refinancing mining operations, including standby operations, maintenance, replacement and repair of equipment, and reequipment of mining operations of this country.

Mr. President, in my opinion this provision of my bill would establish a very necessary program for the domestic mining industry. We have the Small Business Administration, and we have the ongoing research programs of the

Bureau of Mines and the Geological Survey. They make real contributions to the strength of the economy. However, there is a gap, both in research—particularly applied research on minerals—and in the assistance of financing to small mine projects. My bill would fill this gap.

Mr. President, I ask unanimous consent that a table showing the sources of our domestic lead-zinc production be printed at this point in the Record. This table is taken from the Tariff Commission report on lead-zinc of April 1958.

There being no objection, the table was ordered to be printed in the Record, as follows:

TABLE 32.—Lead plus zinc: Mine production in the United States, by mines classified by size of output, 1956¹

Size of mine (in terms of short tons of recoverable lead plus zinc produced during year)	Mines		Production of recoverable lead plus zinc	
	Number	Percent of total number	Short tons	Percent of total production
0 to 499.....	557	80.0	27,248	3.0
500 to 999.....	27	3.9	18,750	2.1
1,000 to 1,999.....	29	4.2	41,984	4.7
2,000 to 2,999.....	24	3.4	61,554	6.9
3,000 to 3,999.....	13	1.9	46,607	5.2
4,000 to 4,999.....	9	1.3	41,901	4.7
5,000 and over.....	37	5.3	657,132	73.4
Total, all sizes.....	696	100.0	895,166	100.0

¹ This analysis includes all mines in the United States that produced any recoverable lead or zinc, regardless of their industry classification; hence, some production is included from mines producing ores valued chiefly for their content of metals other than lead plus zinc.

Source: Compiled from official statistics of the U. S. Bureau of Mines.

Mr. ALLOTT. I invite attention to the fact that this particular table, which is numbered table 32, shows that 557 of the mines in the United States or 80 percent of the total number of mines, produce less than 500 tons of ore.

It is interesting to note in this table that in 1956 there were 696 lead-zinc mines in this country. Five hundred and fifty-seven or 80 percent of them produced only 3 percent of the total production. At the other extreme, 37 mines, or 5.3 percent of them produced the 73.4 percent of the total lead-zinc production in this country. The production payments authorized by the amendment I now offer are designed primarily to assist the 90 percent of our lead-zinc producers who produced in 1956 approximately 16 percent of the total 900,000 short tons of lead and zinc. Of course, these payments would not be restricted to these small producers, but would be of particular importance to them. On the other hand, these payments in addition to those proposed by the administration would apply to such a small percentage of the production of this country that the effect on the domestic price, the world market price, and accordingly on the economies of our neighbors, would not be significant.

In 1956 this country consumed approximately 1,200,000 tons of lead of which 460,000 was imported. For the same period we consumed approximately 1 million tons of zinc. Our imports

were 732,000 tons. The effective ad valorem tariff for lead ores was 6.2 percent and metal, 11.7 percent. For zinc, the ad valorem equivalent was 12.3 percent on ores and 5.9 percent on metals. Nineteen hundred and fifty-six tariff revenues produced approximately \$18.2 million. Of that amount 30 percent is presently directed to the use of increasing exportation and domestic consumption of agricultural products under Section 32 of Public Law 320 of the 74th Congress, section 7, U. S. C., page 612.

There is adequate precedent for a program such as I have proposed here in the well-known wool plan and in the program authorized by Public Law 320. It has been proven to work in this field, and I am convinced that it will work here. If it will work for lead and zinc, it may well work for some of our other hard-hit mineral industries, but the lead-zinc situation is particularly susceptible to—and in need of—this kind of relief.

From the testimony presented before our Interior and Insular Affairs Committee by representatives of the Department of State and the Department of the Interior, it is my understanding that the other mineral-producing countries in the Americas would have no substantial objection to relief for our mining industry along the lines proposed by Secretary Seaton and the administration. I believe that their views would not be greatly different if this proposal were added to the program submitted by Secretary Seaton for the administration.

Many of the domestic producers of lead and zinc, moreover, have objected to the administration proposal primarily on two grounds: First, that the stabilization price suggested is too low; and, second, that an industry which is dependent on seeking appropriations annually from the Government cannot be truly characterized as a stable one. My proposal would go a long way toward alleviating both those criticisms. In short, it would aid those miners most injured and will have a minimal impact on our foreign relations.

I most earnestly hope and urge Members of the Senate and the other body to give serious consideration to the administration proposal for stabilizing our mining production which, with the provisions I have offered, will provide an honest and effective program to put our miners in a position where they can again make a living from their chosen occupation.

THE ADMINISTRATION'S ECONOMICS

Mr. DOUGLAS. Mr. President, I ask unanimous consent to have printed in the Record at this point, a letter addressed to the editor of the Washington Post by Prof. Seymour E. Harris, the able chairman of the economics department of Harvard University. The letter was published in the Washington Post of May 29, 1958, and in it Professor Harris criticizes the economic program of the Eisenhower administration and urges a tax cut, along with increases in unemployment compensation, redevelopment and school construction.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ADMINISTRATION ECONOMICS: A CRITICAL APPRAISAL

We have now had 10 months of a recession, 10 months of a declining economy. Historians of the cycle tell us that a turning point generally comes within a year of the initial decline. Perhaps this command of history explains the reluctance of the administration to take positive measures to reverse business trends. But the administration may be gambling too much on the laws of history.

So far the antirecession measures have been inadequate; and most of those taken have been forced upon the reluctant administration by a Democratic Congress, or have been automatic results of built-in flexibility, for example, the decline of the tax receipts with reduced income and the rise of unemployment benefits.

Even defense expenditures are not rising substantially. Despite the insecure state of the Nation, and the recession, the administration is not spending more on security in calendar year 1958 than in 1957. We have the word of the chief finance officer of the Defense Department for this.

In fact, the best estimate I can make does not suggest a rise of Federal outlays of more than \$2 billion and certainly not more than \$3 billion for the calendar year 1958. (I exclude the rise of transfer payments like unemployment compensation.) Even these estimates take account of the probable outlays under the road program, the Unemployment Compensation, the Housing Act, the Commodity Facilities Act, and proposed legislation on area redevelopment and education.

I do not believe these estimates are ungenerous. If the administration has other estimates, they have never revealed them. Is it not about time that the administration gave the country a monthly estimate of expected help from reduction of taxes, increase of expenditures, etc.—in fact a survey of the first of the month of the trends in the economy?

What is the administration afraid of? Indeed, they underestimated revenue for fiscal year 1959 by several billions. Had they shown historical sense at this point, they would not have made this mistake. In addition, expenditures will rise by a few billion beyond their January 1957 estimate for fiscal 1959. They seem to be scared of the rising deficit.

But they should have learned a long time ago, as most economists and an increasing group of businessmen have learned, that the way to keep a deficit down is to raise income; and the way to increase income is for the Government to reduce taxes and increase spending—in the midst of a recession. A continued economic decline can only further increase the deficit.

We are losing income at the rate of \$30 to \$50 billion a year. Is inactivity supportable under these conditions? Each month the administration waits, we lose \$4 billion and perhaps about 700,000 man-years of employment. We do not deal with a leak in a tank by allowing the water to escape; we plug the hole.

We lose this income despite the fact that there are all kinds of public services that need attention—housing, care of the unemployed, urban redevelopment, school construction, and river development.

The Government should favor especially the expenditures that yield the largest returns in the shortest period both in stimulating the economy and helping those in distress. On this score aid for unemployment compensation funds, redevelopment, and school and college construction stand high. Those who are fearful of large public expenditures can be appeased by selecting out-

lays that put the smallest burden on the Treasury, namely, loans and guaranties against grants, small subsidies for loans against outright grants.

We expect a greater degree of intervention by the Federal Reserve than we have had so far. Indeed, the Federal Reserve has reversed its policy. For this we give them credit. But the reversal was slow in coming and has not been aggressive enough. It is not enough merely to reduce discount rates or even make possible the reduction of borrowing by member banks. What is needed is a rise of several billion dollars in the reserves of member banks, inclusive of excess reserves.

The open market operations of the Federal Reserve have been most inadequate. They are excessively concerned over the dangers of inflation.

The present danger is recession. We cannot afford to lose face in the one area where we are still strong—a well-functioning economy. Hence let us be bold in our fiscal and monetary policies.

How silly are these buying campaigns, these appeals to labor and capital to be sacrificial, the attempts of the Federal Government to shift the responsibilities for recovery to the weakened State and local governments, and, to the contrary to their interest, operations, of the private economy.

A saturation of the capital market contributed to the recession; but just as a dear money policy and a changeover from an excess of spending to an excess of receipts by the Federal Reserve aggravated the recession and helped hasten it, so a drastic reversal of these policies will soften the blows of recession.

SEYMOUR E. HARRIS,
Chairman of the Economics Department
at Harvard University.
CAMBRIDGE, MASS.

MR. CYRUS S. EATON

Mr. DOUGLAS. Mr. President, Mr. Cyrus S. Eaton is one of the leading and most successful industrialists in the United States. He is the chairman of the board of directors of the Chesapeake & Ohio Railroad. He is an active spirit in and one of the directors of the great Portsmouth Steel Co. Companies with which he is associated own large iron ore deposits in eastern Canada.

He is active in the direction of several coal companies. His industrial interests are widespread, and he has had great success as an American capitalist.

It has been estimated that his industrial empire amounts to at least \$2 billion, and his personal fortune is undoubtedly numbered in the millions of dollars.

But it is not by these financial tests alone that Cyrus Eaton has won widespread recognition and respect. He has also made many civic and philanthropic contributions to American communities.

Mr. Eaton has undoubtedly made a great financial and industrial career for himself; and at the same time he is somewhat unique, in that he speaks his mind freely on many issues, and frequently expresses unpopular opinions. He is the type of free-wheeling capitalist of the stripe of such men in the past as the late Senator James Couzens, of Michigan, and Frank A. Vanderlip, of New York. There is no question but that Mr. Eaton believes strongly in the capitalist system under which he has prospered and under which he has made such a great success. He believes, however,

in a purified capitalism, and he has never hesitated to speak out in support of reforms which he believes would be proper.

There is no question either of his loyalty to his country.

Recently Mr. Eaton has in a number of instances expressed himself upon international relations. I have frequently disagreed with him in the positions he has taken. Mr. Eaton has upon occasion advocated the recognition of Communist China, whereas I, as a member of the executive group of the Committee of One Million, have actively opposed the recognition of Communist China and her admission to the United Nations. Mr. Eaton and I have exchanged correspondence, in which each of us has argued his respective point of view.

More recently Mr. Eaton has believed that there should be a cultural rapprochement between the United States and Soviet Russia. I have felt that he was much more trusting in his point of view about the peaceful intentions of Russia than I have been, and I have expressed myself in this connection to him. I believe that Soviet Russia is out to conquer the world and that her rulers cannot be relied upon to keep their agreements.

On the 4th of May Mr. Eaton appeared on a nationwide television program, when he was interviewed by Mr. Mike Wallace. During the course of the telecast, he urged that the United States and Russia should try to get together. Later he expressed himself in a very critical manner about the Federal Bureau of Investigation. Let me say in this connection that I believe the Federal Bureau of Investigation has frequently been unjustly criticized, and I do not wish to associate myself with what Mr. Eaton has said about it. I do not know what his personal experience has been.

Very soon after he appeared on the program, however, the House Un-American Activities Committee asked for equal time in which to reply to Mr. Eaton, and its counsel delivered an address in which he stated that a subpoena had been signed by the chairman of the committee, ordering Mr. Eaton's presence before that committee.

I shall not make any comments about the motives behind the signing of the subpoena, except to say that its effect was undoubtedly to cast public suspicion upon the patriotism of Mr. Eaton and to work damage upon his reputation. I believe that this was a great mistake.

While I am not an intimate of Mr. Eaton's, I have watched his career for many years and respect him highly as a man and a friend. I believe him to be in the true essence a patriotic American and a man who in his business and social life has made great contributions to the economic and social life of our country.

I think it is wrong to call the patriotism and loyalty of citizens into question simply because they express unpopular views, however much we may differ with them. To do so is to poison the wells of free discussion and prevent an honest clash of opinion, from which the waters of truth may flow.

Particularly should the agents of Government, with all its power and prestige, refrain from actions which directly or by imputation cast doubt upon the loyalty of those who dare to criticize the Government.

Freedom owes many debts to those who have dared to speak out for what they believe, to the dissenters, and, on occasions, to the critics of Government itself. Truth is served when we debate the issues on their merits and do not impute a lack of patriotism to those who differ with us.

I hope these basic American principles may be kept more clearly in mind, and that the perhaps impetuous, but I believe ill-considered, action initiated against Mr. Cyrus Eaton may be reconsidered by the committee and reversed, so that the subpoena which has been signed will not be served, and that the committee will allow its better judgment to influence it and will withdraw the subpoena. In my judgment, the cause of freedom would be served if the committee were to do so.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. DOUGLAS. I yield.

Mr. HUMPHREY. First, I commend the Senator from Illinois upon his very reasonable, well-considered statement relating to the serving of a subpoena upon Mr. Cyrus Eaton.

Mr. DOUGLAS. The subpoena has not, in fact, been served; the subpoena has been signed and held in abeyance.

Mr. HUMPHREY. Then, I should say the intent to serve the subpoena, or at least the signing of it, for the obvious purpose of serving it upon Mr. Eaton.

I think the Senator from Illinois has clearly pointed out his differences in point of view with Mr. Eaton on certain crucial matters, but has also pointed with equal clarity to the importance of preserving the right of dissent in a free country.

I myself am not so trusting of the Russians as Mr. Eaton appears to be. Nevertheless, Mr. Eaton is attempting to encourage, at least in some areas of endeavor, a cooperative exchange and cooperative participation with the Soviet Union. This is particularly true in the fields of science, education, and other matters.

Mr. DOUGLAS. Those are the very fields, are they not, in which the President of the United States has urged that we develop relationships with the Russians?

Mr. HUMPHREY. That is correct.

Mr. DOUGLAS. I am much more skeptical than is the President of the United States about the possibility of gain from these exchanges, because frankly I think we shall find that it will be a blind alley. But I will not condemn Dwight Eisenhower as unpatriotic.

Mr. HUMPHREY. As the Senator from Illinois has so well put it, the areas in which Mr. Eaton has encouraged cooperation with the Soviet Union are in full accord with announced public policies of the Government of the United States.

Mr. DOUGLAS. That is correct.

Mr. HUMPHREY. The fact that Mr. Eaton has seen fit to make adverse comment relating to the Federal Bureau of Investigation is not a statement in which I myself find any pleasure or which I can entertain any feeling of support.

Mr. DOUGLAS. Neither does the Senator from Illinois.

Mr. HUMPHREY. The Senator from Illinois made that abundantly clear.

But I surely feel that Mr. Eaton has a right to criticize whomever he wishes.

I think one of the real tests of American loyalty is whether one has the courage to be critical on occasion. Anybody can be a "yes-man." The danger in the United States is not from those who criticize, but from those who go along happily, and sometimes rather naively, accepting everything that is offered as if it were the truth.

This country was established by men and women who were willing to challenge existing authority. When one challenges existing authority in a peaceful and constructive manner, he is not engaging in anything which is unworthy of the American tradition or of our great American heritage. It was Voltaire who said:

I disapprove of what you say, but I will defend to the death your right to say it.

Voltaire was one of the great philosophers of what we may well term the democratic freedoms. What Mr. Eaton has said is something with which many Americans will not agree. I suppose the vast majority of Americans do not agree with his statement relating to the FBI. Be that as it may, as one Senator, I shall defend his right to say it.

I do not think that any agency of the Government is immune from criticism. Surely if Members of Congress are not immune from criticism; if the Chief Executive of the Nation can take criticism, without his critics being called disloyal, or without any inference of their disloyalty; then, indeed, the Bureau of Government—and I underscore the words "Bureau of the Government"—can take criticism, even when it is not popular, or fair. In this instance, I regret that the criticism was as pointed as it was.

I associate myself with the Senator from Illinois, and congratulate him again upon his characteristic courage and his sense of personal integrity in these matters.

I greatly regretted reading in the press that the Committee on Un-American Activities in the other body was contemplating the issuance of a subpoena to be served upon a distinguished, reknowned philanthropist, industrialist, and fine American citizen—and a man for whom I have great personal respect.

I believe the Government must be very careful how it exercises its power. We in the legislative branch frequently criticize the executive for what we call its abuse of power. Then we must be careful that we do not abuse the authority which we have. The best way to be careful is to exercise restraint—constructive, cautious restraint.

In this instance, I think it would be well, as the Senator from Illinois has said, for everyone to pause a moment and to consider the implications of the proposed action in terms of serving a subpoena.

I hope not only that the subpoena will not be served, but also that those who are in responsible positions will make it clear that in America there is room for disagreement; there is room for dissent; there is room for active debate.

In fact, not only is there room for them, but the American society requires them. We must preserve the three D's of democracy—discussion, debate, and dissent. If we lose any of them, the country will be placed in jeopardy.

I thank the Senator from Illinois.

Mr. DOUGLAS. I thank the Senator from Minnesota. He has said exactly what I would have expected from him.

Mr. President, I ask unanimous consent that excerpts from editorials published in the New York Herald Tribune, the Washington Post, the New York World-Telegram and the Sun, and the Milwaukee Journal, all relating to the subpoena, be printed at this point in the RECORD.

There being no objections, the excerpts from the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Herald Tribune of May 21, 1958]

IS CYRUS EATON UN-AMERICAN?

In this capitalist Nation, few capitalists can equal Cyrus Eaton, of Cleveland, in the extent of the domain he dominates. In railroads he controls the Chesapeake & Ohio, in iron ore the famous Steep Rock Mines of Canada and vast deposits in Labrador, in steel the flourishing Portsmouth Steel Co., and in coal two major companies. He is a director of the Cleveland Electric Illuminating Co., and a trustee of the University of Chicago. He has risen quite far for a man who began life as a meter-reader for John D. Rockefeller's gas company.

It is rather comical to learn that Mr. Eaton has now been subpoenaed before the House Un-American Activities Committee. Its chairman, Representative FRANCIS WALTER, Democrat, of Pennsylvania, apparently took umbrage at some recent comments of Eaton's which (1) urged an accommodation with the Soviets, (2) criticized the public adulation of the FBI as a dangerous tendency, in a free society, to glorify the police. Both points of view are defensible, and even if they were not, he has a perfect right to utter them.

We haven't agreed with many of Eaton's positions, but we think it is a very healthy thing, and a heartening affirmation of the pluralistic nature of our society, to have so wealthy a man taking such unorthodox and nonconformist positions. Go right on speaking your mind, Cyrus.

[From the Washington Post of May 22, 1958]

TYRANNY BY SUBPENA

The summoning of Cyrus Eaton by the House Committee on Un-American Activities is an act of tyranny which ought not to be tolerated by any free people. Mr. Eaton, a major industrialist and chairman of the board of the Chesapeake & Ohio Railway, expressed in a recent television interview some opinions critical in general of what he called Government "snooping" and in particular of the Federal Bureau of Investigation. In a television address on Monday evening attacking Mr. Eaton, Richard Arens, staff director of the committee, declared that

"Chairman WALTER recently signed a subpoena for Mr. Eaton's appearance before the committee at an appropriate time."

The House of Representatives should mark well this abuse of the power which it has conferred on its Un-American Activities Committee. It is perfectly clear that Mr. Eaton was not subpoenaed because the committee believes he has information which will help it in framing legislation; it is equally clear that he was not subpoenaed because the committee values his advice. * * *

The effect * * * of this kind of reprisal is to inhibit free speech. It will not, of course, intimidate Cyrus Eaton; but it may well intimidate many others less eminent and less courageous. It is a kind of reprisal wholly outside the proper powers of any Congressional committee and wholly at variance with the United States Constitution. If other members of Mr. WALTER's committee do not have enough good sense and understanding of American institutions to restrain their chairman and quash this outrageous subpoena, then the leadership of the House of Representatives had better do it for them.

It is not necessary to endorse everything that Mr. Eaton says in order to defend his right to express his views. When Americans say with pride that theirs is a free country they mean, above all else, that Americans are free to say what they please about their Government—or about anything else—without fear of being called to account for their opinions by any governmental authority.

[From the New York World-Telegram of May 22, 1958]

THIS IS FREEDOM OF SPEECH?

The House Committee on Un-American Activities has subpoenaed Cyrus Eaton, the Cleveland capitalist, to explain why he said that the Federal Bureau of Investigation and other Government agencies snoop too much on the American citizenry.

The committee counsel, Richard Arens, said Mr. Eaton was summoned because the Communists had seized on his remarks and were circulating them throughout the world to America's disadvantage.

So what? Perhaps Mr. Eaton's statement wasn't 100 percent sound, but he has a right to his opinion. He was wholly within his rights in exercising an old American prerogative—that of freedom of speech. If this right is denied or penalized, the Commies are quite capable of circulating that around the world, too.

If what Mr. Eaton has said makes us look bad abroad, that is regrettable. But his words couldn't make us look any worse than the foolish reaction of this House committee.

[From the Milwaukee Journal of May 21, 1958]

Cyrus S. Eaton is an industrialist and a rugged individualist.

He says what he thinks. His statements, whether you agree with them or not, are usually refreshing and often pungent.

Now, it appears that Mr. Eaton is to be hauled before the House Committee on Un-American Activities to answer for some highly uncomplimentary remarks about the FBI.

The ground for the summons is dangerous and absurd.

As the great dissenter, Justice Oliver Wendell Holmes, said:

"If there is any principle of the Constitution that more imperatively calls for attachment than any other, it is the principle of free thought, not free for those who agree with us, but freedom for the thought we hate."

CONTROL OF ARMAMENTS

Mr. CLARK. Mr. President, recently the National Planning Association pub-

lished a most helpful special committee report entitled "1970 Without Arms Control." That pamphlet in itself is well worth reading in its entirety. It points out the critical condition in which we find ourselves because of our inability to come to some understanding with respect to the international control of armaments.

In order that Members of the Senate may have an opportunity to have the benefit of a condensation of this most helpful report, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, an article entitled "Bomb Control Obstacles," which was written by Melvin K. Whiteleather, a very able reporter for the Philadelphia Evening Bulletin; and also an editorial entitled "Without Arms Control," which was published in the Washington Post of May 12.

There being no objection, the article and editorial were ordered to be printed in the RECORD, as follows:

[From the Philadelphia Evening Bulletin of May 14, 1958]

BOMB CONTROL OBSTACLES

(By Melvin K. Whiteleather)

If the Russians are now prepared to start technical discussions on how to detect and control thermonuclear bomb testing, the world will be in for more shocks.

Bomb testing is but one phase of an arms question that is terribly complicated and riddled with unknown quantities. Because testing has been so highly publicized, laymen have the idea that once ways are discovered to detect bomb blasts, the arms control problem will be licked. That is not so, as an international investigation of the technical feasibility of controls most certainly would reveal.

For one thing, weapons developments are proceeding at such a fast rate that any control schemes decided upon now would soon be obsolete. A National Planning Association study of arms control made by 25 experts in armaments, physical sciences and international politics brings this out in a notable contribution to an understanding of what is involved in the attempt to find security in detection, controls, checks and so on.

With each day that passes, controls become more elusive. Enforcement would have been simple back in 1946 through control of raw materials, but that is no longer the case. And as the NPA report finds, the inspection problem will be intensified with development of subversive and unconventional methods of warfare, such as suitcase atomic weapons or bombs and devices for toxicological warfare, and the use by ever more and more countries of nuclear weapons. The more countries involved, the harder it will be to identify sources of attack.

Separating missiles from other pips that appear on radar screens is not always possible, and when in another decade the extreme warning period is expected to be no more than a quarter of an hour, delegation of the decision to retaliate will go to lower echelon officers. There will be no time for consultation with high government officials, and this will multiply the risks of warfare through mistake or accident.

The NPA report makes an observation about clean bombs which are so much in the news, since the Atomic Energy Commission insists it needs to continue testing to develop such bombs. We have been told that great advances have been made in this direction, and that our bombs are now 96 percent clean. The report says this:

A 10-megaton weapon which derived 96 percent of its energy from fusion and 4 per-

cent from fission—that is, a 96 percent clean bomb—would release the same amount of dirty fission fragments produced by 20 Nagasaki-size fission bombs.

That gives some idea of how clean these so-called clean bombs really are.

Just how our proposal for Arctic aerial inspection would give the United States full protection has been somewhat puzzling. It might work against bombers, but what about missiles? The latter can be fired from outside the inspection area, and even if properly identified, travel faster than the time it would take to intercept them. The NPA report observes that to see an ICBM nose cone at the distance required to take effective counteraction has been said to be as difficult as seeing a golf ball with the conventional defense radar at a distance of several hundred miles.

Given proper identification and the time to react, there is the further problem of how to destroy the nuclear warhead so that it will do no damage below. This would have to be done, according to the NPA study, at a height of 50,000 feet. Antimissile missiles, on which the Atomic Energy Commission is also working hard, will have to be designed so they will not set off the nuclear warhead on contact.

When ICBMs become available in quantities, the NPA experts say it will then be possible for an aggressor to make saturation attacks with full likelihood that one or more missiles, which would be enough, will hit the target.

Such are some of the complications that make arms control in this nuclear age akin to chasing the pot of gold at the end of a rainbow. And the NPA study concludes that there is no reason to be optimistic that defense will keep up with offense in the decades ahead.

[From the Washington Post of May 12, 1958]

WITHOUT ARMS CONTROL

Any tendency to regard the arms control deadlock with the Soviet Union as hopeless needs to be measured against the sure knowledge that the longer some start is delayed the more difficult effective control becomes. That is the essential meaning of a new report by an expert committee of the National Planning Association, 1970 Without Arms Control. The report is probably the most intensive nonclassified examination of the problem yet published, and it is undeniably gloomy.

Projecting the development of weapons systems on both sides, the study notes the increasing protection problems with submarine-based missiles, "suitcase" bombs and toxicological warfare; with the spread of nuclear weapon capability to additional countries, making identification of the source of any attack far more doubtful; with the use of space for military purposes, particularly surveillance. The development of new weapons systems, barring some fundamental change in the strategy of deterrence, will necessitate huge numbers of new defensive weapons—and the danger to humanity will grow with the concept of automatic retaliation which may eliminate all discretion. Of interest in the clean weapon controversy, the report asserts that a 10-megaton weapon 96 percent clean would still produce 20 times the radioactive fallout of the atomic bomb dropped on Nagasaki.

Since the study is concerned with depicting the problem rather than with furnishing specific answers, it makes no very concrete recommendations except for the establishment of a scientific advisory committee in the United Nations to keep abreast of the expanding technical problems of arms control. This would be useful, although it seems apparent that direct negotiations between the Western nuclear powers and the Soviet Union offer the most immediate chance of a start. Especially significant in this connection is the study's observation that a dis-

armament agreement can be worse than useless unless it provides for safeguards against violations and unless it effectively assures national security. Its purpose is to diminish, not increase risks. However, it would be grossly unrealistic for any nation to assume that no risks inhere in the present situation. [There are too many risks in the present situation to rely on a leisurely pursuit for perfection] in the vaguely distant future. Indeed, each year's delay sees further developments of military technology which, in turn, makes a fair and workable agreement harder to reach. (Matter in brackets ours.)

It is this compelling point of increasing difficulty that, in our judgment, makes so barren the all-or-nothing approach taken by Chairman Strauss of the Atomic Energy Commission and those who share his views. In his talk at the National Press Club on Thursday, Mr. Strauss really did very little more than expose his secrecy mania; despite the past boasts of publicity on American nuclear tests, precise times of approximately half the tests in the current Pacific series will not be disclosed because it might give too much information to the Russians. Meanwhile Mr. Strauss argues for continued testing to perfect more sophisticated weapons. There may be plausible reasons for this under some sort of limitation; but the undeniable fact is that both the continuation and the refusal to announce tests adds to the ultimate difficulty of control.

No one needs to emphasize that the Russians have been recalcitrant. But they have offered, in connection with their own suspension of nuclear tests, to accept some sort of inspection. It seems to us incredible foolishness for the administration not to take up this offer, in a realistic proposal of its own, as a means of getting inspection started. As the debate continues in the administration, the National Planning Association study of the consequences of doing nothing would make extremely pertinent reading.

AID TO INDIA

Mr. CLARK. Mr. President, on previous occasions I have taken the liberty of commending very strongly the position taken by the junior Senator from Massachusetts [Mr. KENNEDY] and the senior Senator from Kentucky [Mr. COOPER] with respect to aid to India. I am most happy to note that the position taken by these two fine Senators has been supported by the Foreign Relations Committee, and that adequate aid to India is now provided in the pending mutual security bill.

In order that my colleagues may have an opportunity to read a most helpful comment on this subject, I ask unanimous consent to have printed at this point in the RECORD, in connection with my remarks, a newspaper article entitled "Kennedy-Cooper Proposal for India Could Bring Democracy Key Victory"; and in that connection I point out that the word democracy, as used in the headline, is used in a nonpartisan sense. The article is a syndicated one which was prepared for the North American Newspaper Alliance.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

KENNEDY-COOPER PROPOSAL FOR INDIA COULD BRING DEMOCRACY KEY VICTORY—REDS LURKING TO POUNCE IF INDUSTRIALIZATION PROVES FAILURE

(EDITOR'S NOTE.—The writer, professor of economic history at Massachusetts Institute of Technology and a staff member of the

Center for International Studies, is an expert's expert. He is a coauthor of *The Dynamics of Soviet Society, the Prospects for Communist China, and A Proposal: Key to an Effective Foreign Policy*. He is a Yale graduate and brother of Prof. Eugene V. Rostow, dean of the Yale Law School.)

(By W. W. Rostow)

CAMBRIDGE, MASS.—When they come to 1958, historians will have plenty to write about. This has been a year of missiles and earth satellites, of economic recession, of debate on how to reorganize the Pentagon. It has been a year when the market for big cars caved in, and when the Giants and Dodgers opened on the west coast. It will shortly become a year of noisy Congressional elections.

Historians may judge, however, that the most important issue of 1958 was whether or not an amendment to the Mutual Security Act, proposed by Democratic Senators JOHN KENNEDY, of Massachusetts, and JOHN SHERMAN COOPER, of Kentucky, did or did not get through Congress.

This amendment concerns India. It does not require any additional appropriation of money this year. Nevertheless, the passage or failure of passage of this amendment will have important historical consequences. It will affect the outcome of the Indian second 5-year plan and with it, the fate of the democratic process in the world's largest democracy. It will affect the outcome of the ideological race between Communist China and democratic India, and the struggle between communism and democracy throughout Asia, the Middle East, and Africa. It will even strongly influence future relations between the United States, its western European allies, and Japan.

What have the Senators proposed? Why should it have any such grandiose significance?

INTERNATIONAL COOPERATION LOANS

The amendment is simple enough. It would be an expression of Congress that the industrialization of India under political democracy is in the interest of the United States; and that the executive branch of the Government should initiate negotiations looking to the long-term international support of the Indian effort.

Specifically, Senators KENNEDY and COOPER have suggested that a group of men of the stature of John McCloy (board chairman of the Chase Manhattan Bank) and Sir Oliver Franks (former British Ambassador in Washington) should go to India, sit down with responsible members of the Indian Government, and work out what would be required in the way of long-term loans for the success of the Indian industrialization effort.

On the basis of such information they would work out an arrangement in which Japan, the countries of Western Europe, Canada and the United States would share in providing the loans (and technical assistance) necessary to do the job. The American share in this international arrangement would come before Congress for approval next year.

This straightforward proposal is, nevertheless, packed with high drama, for both the Indian second 5-year plan and Indian democracy stand at a critical point.

PROGRESS MADE

Economically, much progress has been made. The first 5-year plan (1952-56) raised the Indian national income by nearly 18 percent, outstripping the rise in population and giving the Indian people a sense of hope and of forward momentum. This first phase of the Indian effort concentrated on raising food production. The second 5-year plan aims to take a decisive step toward the industrialization of India which, in the long pull, is necessary if the low standard of living is to be raised.

At the moment the second 5-year plan—now near the close of its second year—is in grave danger. It has already been cut back and may have to be cut back further. And this could have the most serious political effects.

The reason for this cutback lies in 1 unfavorable and 1 extremely hopeful circumstance.

In part the plan is imperiled by poor harvests which reduced supplies of food available in India and forced the increased import of grain to prevent starvation.

But the major cause of the Indian foreign-exchange crisis is a startling and exciting fact: To everyone's surprise, the private-enterprise sector of the Indian economy has moved ahead so fast that it used up in less than a year and a half the foreign exchange allotted to it for a 5-year period.

The Indian Government now has been forced to ration foreign exchange to private enterprise. It did this because India must import large amounts of equipment for railroads and electric powerplants and other items it needs to build the framework within which an industrial system can grow. The competition for foreign exchange is not between capitalist and socialist sectors of the Indian economy. It is between the essential overheads for an industrial society and its manufacturing sector: between railway engines and machine tools.

PACE SLOWED

In the face of this conflict the Indian Government has been forced to slow down the pace of industrialization at a moment of great promise.

Meanwhile, the Indian Communist Party has been building its case on the claim that neither democracy nor Indian association with the United States and the West is capable of seeing India through the transition from an impoverished agricultural society to a modern industrialized one. Already the loss of momentum and morale has permitted the Indian Communists two major successes, one in the state of Kerala, the other in Bombay.

To the North the Chinese Communists, forcing the pace of investment in their police state, are making great industrial progress. But this progress is attained at the cost of collectivizing the peasant—who makes up about three-quarters of the Chinese population—and at the cost of relative stagnation in agricultural output.

If the Indian second 5-year plan should fail and the Chinese Communists should achieve substantial success—even at the cost of great human suffering—a billion human beings in the underdeveloped areas of the Free World, including the Indians, may well conclude that whatever its moral virtues, the technique of democracy and the diplomacy of association with the United States and the West are inappropriate for a country seeking to modernize its society.

On the other hand, if the well-balanced agricultural and industrial plan of India should succeed in the next 4 or 5 years, we will be able to confront the Communists in China and throughout the world with the fact that secret police and forced labor and starvation are not the necessary conditions for the modernization of an underdeveloped society; and that the method of consent at home and of association with the Free World abroad can do the job.

STAKES HIGH

If this can be demonstrated between now and, let us say, 1962, the last serious basis for the ideological appeal of communism will have ended; for while communism is largely discredited in the more developed parts of the world, many of the political leaders in Asia, the Middle East, and Africa believe, or half-believe, that only ruthless Communist methods can quickly bring about the changes necessary for a poor,

stagnant country to achieve steady economic growth and progress.

Even more is at stake, however, in the Kennedy-Cooper amendment. Its passage could contribute to the reconstruction of the North Atlantic Alliance and to the improvement of American relations with Japan. In part the regeneration of the North Atlantic Alliance must take a military form and must reflect a tightening of the common effort in the face of the expanding Soviet ability to deliver nuclear weapons with missiles. In part, however, the association between the United States, Western Europe, and Japan must be based on the creation of an effective alternative to colonialism.

A new basis must be found for relating the richer parts of the Free World to the aspiring peoples of Asia, the Middle East, and Africa. Such a new basis for association may include anticommunism; but it must also involve effective long-term aid in loans and technical assistance to those underdeveloped areas which seriously wish to develop their economy.

NEED CRITICAL, URGENT

India is clearly the place to start. Not only is India's need critical and urgent, but India represents 40 percent of the total problem; that is, some 400 million of the 1 billion human beings who live in underdeveloped areas of the Free World live in India.

More than that, India's connection with the British Commonwealth and with the Colombo plan organization have already cleared the way for the kind of joint effort which is required.

Finally, the experience of setting up a cooperative international program in India could furnish a useful guide for a more general effort which might later embrace the rest of free Asia, the Middle East, and Africa.

In short, the enterprise proposed by Senators KENNEDY and COOPER gives the industrialized nations of the Free World the chance to give an essential new dimension to the Free World alliance, and to begin to define an alternative to colonialism around which the whole Free World could rally.

In a year of Congressional elections and of recession, at a time when the Nation is seeking also to get its military house in order in the face of a new, somewhat unexpected and lethal challenge, it would be understandable if the United States were to postpone taking the initiative in India, that Senators KENNEDY and COOPER propose. It would be understandable if we do this; but history is unforgiving.

The situation in India could disintegrate so fast that, by the time we next looked up, we could be confronted with a crisis where loans could not help much. This has happened before in recent times: In China, Egypt, Indonesia.

Both those who bear political responsibility in Washington and the American people as a whole, bear the heavy responsibility of moving now in relation to India and cutting down the risk that Communist purposes there—which hinge on the failure of the Indian industrialization program—confront us before long with a second China tragedy.

DISASTER LOANS TO SMALL BUSINESS CONCERNS INJURED BY CONDEMNATION PROCEEDINGS FOR FEDERALLY AIDED HIGHWAYS

Mr. HUMPHREY. Mr. President, I ask unanimous consent to have printed at this point in the body of the RECORD the testimony I presented before the Small Business Subcommittee of the Senate Committee on Banking and Currency, when it was considering my bill

(S. 3434) on amendment and extension of the Small Business Act.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR HUBERT H. HUMPHREY ON S. 3434 BEFORE THE SMALL BUSINESS SUBCOMMITTEE, BANKING AND CURRENCY COMMITTEE, UNITED STATES SENATE, MAY 23, 1958

Mr. Chairman, I wish to express my appreciation to you for being afforded this opportunity to testify on my bill, S. 3434, which is among the bills presently being considered by this subcommittee in its deliberations on the amendment and extension of the Small Business Act.

S. 3434 would amend the Small Business Act by providing disaster loans to small business concerns which suffer economic injury due to condemnation proceedings under federally aided highway construction programs.

The States Highway Commissioner of the State of Minnesota, L. P. Zimmerman, brought to my attention the fact that many small businesses have been forced to move due to condemnation proceedings in connection with federally aided highway construction programs, and as a result thereof many such businesses have suffered severe economic injury.

In view of the interstate highway construction program now underway, this is a problem which will be affecting more and more businesses in the years ahead. It has been estimated that as many as 50,000 businesses may be forced to move from their current sites in the next few years as a result of such construction.

It is, of course, true that when property is condemned the owner is entitled to just compensation. But it is a difficult question as to what just compensation is in a particular case—especially when it is business property. As pointed out in a recent newspaper article on this very subject:

Sometimes this can be very tough indeed on the person whose property is taken, especially if it is a business property. For the courts rarely allow appraisers to take into consideration such items as loss of goodwill, costs of moving the business to a new location, or loss of profits occasioned by the move or the inability to start over again. (Condemnation Evolves as Hot Public Issue, by Phil Yaeger and John Stark, Washington Star, February 14, 1958.)

To the businessman who suffers a severe economic hardship as a result of being forced to move, it is just as great a catastrophe as destruction of his property due to floods or other natural disasters.

It seems to me that a businessman who suffers such an economic injury should be entitled to receive a disaster loan from the Small Business Administration just as he can under present law if he suffers an economic injury due to natural catastrophes such as floods or droughts. The injury suffered—due to natural causes or action of the Federal Government—is in either case beyond the businessman's control.

It should be emphasized that such disaster loans as are proposed in S. 3434 would only be given when the SBA determined that actual economic injury was suffered by a business. My bill does not propose that all businesses forced to move under such construction programs automatically qualify for disaster loans.

In my opinion, it is an obligation of the Federal Government to provide low-interest long-term loans to small business concerns which suffer economic injury due to the action of the Federal Government itself.

For these reasons, I respectfully urge that this subcommittee favorably consider S. 3434.

WE OUGHT TO KNOW MORE ABOUT CANADA

Mr. HUMPHREY. Mr. President, since 1939, a delegation of the St. Paul-Minneapolis Committee on Foreign Relations has carried on an exchange program with the Canadian Institute of International Affairs, for the purpose of discussing foreign-affairs problems of mutual interest. These exchange meetings have been, of course, mutually beneficial.

The last such meeting is discussed in an article written by Wilbur Elston, a member of the editorial page staff of the Minneapolis Tribune; and it was published in that newspaper on May 11, 1958. In his article, entitled "We Ought To Know More About Canada," Mr. Elston writes of the need for better understanding between Americans and our Canadian neighbors.

Mr. President, in view of the recent discussions in the Senate Foreign Relations Committee on United States-Canadian relationships, I ask unanimous consent to have this very fine editorial printed at this point in the body of the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

WE OUGHT TO KNOW MORE ABOUT CANADA (By Wilbur Elston)

Relations between Canada and the United States have been deteriorating in recent years. For that reason, many people have welcomed the news that President Eisenhower and Secretary of State Dulles and their wives will visit Ottawa in July.

Undoubtedly, there are dissatisfactions in Canada with the United States and with Americans. Some of it arises from the tremendous amount of American capital invested in Canada. Some of it stems from our failure to take Canada into consideration when we adopted such policies as our wheat surplus disposal plan. Some of it results from our restrictions on Canadian goods we import. Some of it comes from the irritating American habit of taking the Canadians for granted.

Yet Canadian irritations with the United States are seldom displayed to American visitors in Canada. The Canadians seem to like us as individuals and to many Minnesotans our friends just north of the border appear to be more friendly—and more similar to us—than Americans who live along the eastern seaboard.

A delegation from the St. Paul-Minneapolis Committee on Foreign Relations certainly had no cause to complain about Canadian hospitality—except perhaps that it was excessive—when in Winnipeg for a joint meeting with the Winnipeg men's branch of the Canadian Institute of International Affairs last weekend. These exchange programs, for the purpose of discussing foreign affairs problems of mutual interest, have been going on since 1939. They have contributed to much better understanding and appreciation of the Canadian point of view by the Twin City participants—and vice versa.

It is obvious, however, that much more needs to be done in this area. For any American visiting Canada will have to admit that the average Canadian knows much more about what is going on in the United States—in politics, entertainment, business and other fields—than the average American knows about Canada.

A special Congressional study mission composed of Representative Brooks Hays,

Democrat, of Arkansas, and Representative FRANK M. COFFIN, Democrat, of Maine, last week blamed the deterioration in Canadian-American relations on America's lack of information about Canada. They urged newspapers and press associations to provide more and better news coverage of what is going on in Canada. And they recommended other moves to increase the flow of information.

The Congressmen said that it often appears to our Canadian cousins that Americans do not desire to learn anything concerning Canada and its problems. This may be true of the average American—and we think it is—but obviously many American businessmen have learned a good deal about Canada or they would not be doing so much business or investing so heavily there.

A royal commission on Canada's economic prospects recently found that 60 percent of Canada's domestic exports went to the United States in 1955, as contrasted with only 18 percent to the United Kingdom, 8 percent to continental western Europe and 14 percent to all other countries.

It also reported that more than \$10.2 billion of American capital was invested in Canada in 1955 out of a total nonresident investment of about \$13.4 billion.

The huge American investment no doubt has contributed to the recent rapid growth of the Canadian economy, but it is only natural that the Canadians should be somewhat resentful of the fact that the development of their resources has often benefited Americans more than it has Canadians.

The Royal Commission found, for example, that the book value of Canadian companies in which a controlling interest is held in the United States accounted at the beginning of 1955 for 68 percent of the total investment in the petroleum industry, 51 percent in the chemical industry, 95 percent in the automobile and parts industry, and 45 percent in the pulp and paper industry.

It also is estimated that Canadians have a standard of living that is between 25 and 30 percent below that of the United States. While the Canadian standard of living still is well above that of the United Kingdom—and, indeed, probably is superior to that of every other nation in the world except the United States—there is still a substantial gap between the Canadian and American standards of living.

The Canadians, however, can point to the fact that their economy has been growing faster than ours has in recent years. In 1955, for example, Canada's gross national product amounted to 6.3 percent of that of the United States, whereas in the 1926-28 period the average was 5.6 percent.

Furthermore, a substantially higher proportion of income is being devoted to investment in Canada, investment has been increasing more rapidly in Canada and Canada's population has been growing more rapidly because of a higher birth rate and a relatively higher flow of immigrants. Canada, indeed, contains the last real frontier on this continent.

All of these factors give the Canadians a good deal of satisfaction as well as hope for the future. It also may account for the greater independence being expressed by Canadian politicians although it is more accurate to describe Prime Minister Diefenbaker as pro-Canadian rather than anti-American. But as we look to the future, we can think of no better advice than that offered by the Royal Commission:

Such economic problems as may arise from time to time between the two countries would be eased, in our opinion, if more Americans could remember to think of Canada, not as a hinterland, but as a country. Canadians, for their part, while taking such action as may be necessary to provide the economic basis for the nation they are building in the northern half of the continent,

would do well to recognize how much they have profited from having as neighbors a people so productive, so ingenious, and so capable of magnanimity.

INSPECTION FOR NUCLEAR WEAPONS TESTS

Mr. HUMPHREY. Mr. President, on Saturday, May 24, President Eisenhower sent to Soviet Premier Khrushchev a letter in which the President agreed to appoint a scientific team of experts on nuclear test suspension control. The President indicated that he thought the team headed by the United States and the team headed by the Soviet Union should meet in Geneva, Switzerland, within 3 weeks after learning whether the President's suggestion was acceptable to the Soviet Union. The President further stated that a preliminary report should be made within 30 days of the convening of the group, and a final report within 60 days.

This statement by our President is a commendable one, and I wish to congratulate him for it. It indicates, I believe, that the world may be one small step closer to an agreement to suspend nuclear weapons tests, with an inspection system to verify the suspension. Certainly the President's proposal should be acceptable to the Soviet Union. On May 9, Premier Khrushchev, in a letter to the President, stated that the Soviet Union was willing to enter into a discussion of the inspection system needed to check for violations of a test-suspension agreement, if beforehand there were agreements regarding the meeting arrangements. The President has found this Soviet condition reasonable; so now we await acceptance by the Soviet Union and the setting of a date for talks to begin.

Mr. President, this statement of the President's has also been commented on favorably by many of our leading newspapers. The New York Times refers to the letter as "an important step forward in the effort to secure progress toward ending nuclear tests."

The Washington Evening Star states that such a development—as an inspection agreement for suspending nuclear tests—"if it materializes, will be encouraging as a first step—a little break that might eventually become very big—out of the dreary and deadly dangerous impasse in which the Soviet bloc and the Free World now find themselves."

Other supporting statements have come from the Philadelphia Inquirer, which calls the letter of the President an important and effective move, showing American willingness to discuss the problem of nuclear testing on the basis of agreed scientific facts any time the Russians are willing to go along.

And the Tampa Sunday Tribune indicates that the President "seemed to go out of his way to make the proposal appealing to the Russian official and that he also seemed anxious to move the situation off dead center."

Mr. President, I ask unanimous consent that at this point in my remarks the editorials to which I have referred be printed in the RECORD.

There being no objection, the editorials were ordered to be printed in the RECORD, as follows:

[From the New York Times of May 26, 1958]

TEST BAN CONTROLS

President Eisenhower's latest letter to Soviet Premier Khrushchev represents an important step forward in the effort to secure progress toward ending nuclear tests. Whether this progress will actually be achieved now depends on the Soviet Union. The President has made a concrete proposal for Soviet and American nuclear experts to meet shortly to reach conclusions on methods for detecting violations of a possible agreement to end these tests. Three outstanding American scientists have been named to participate in this proposed meeting. Premier Khrushchev agreed in his letter earlier this month that such a meeting be held. Now it is up to the Soviet Union to name its team of specialists and thus make possible this joint scientific study of the problems involved.

The President expressed the hope that the Soviet Union will name a team of technical experts so that "we get scientific not political, conclusions." We share the President's hope, but it would be futile to ignore the fact that in this case scientific conclusions may be highly charged with political overtones. To detect possible violations of a nuclear test ban, observers with appropriate instruments will have to be stationed at various points on the earth's surface, and particularly in both the United States and the Soviet Union. Techniques must be agreed upon which will guarantee these observers complete freedom to make their observations and then to communicate their findings to the world.

To political implications inherent in these technical needs are clear from yesterday's State Department appeal to the Soviet Union to end or reduce the two nations' present restrictions on travel within their borders by nationals of the other nation. The Soviet Union has insisted throughout the postwar era that large areas of its territory be closed to foreigners, and we have imposed similar restrictions here on Soviet citizens in an effort to create pressure for the ending of the Soviet restrictions. Can adequate policing of a nuclear test ban be possible without having the entire territory of both countries open to international observers and inspectors? Moreover, the problem is further complicated by the fact that it may be necessary for such policing to have observers spread throughout the world. If this is so, the problem of having inspectors in Communist China will also have to be faced and solved.

[From the Washington Evening Star of May 26, 1958]

OUT OF THE IMPASSE?

In view of his recent concession on the subject, there is some reason to hope that Premier Khrushchev will reply favorably to President Eisenhower's latest letter proposing an early meeting of technical experts to study ways and means of policing an international ban on nuclear testing. In any event, logic would seem to require such a reply. For the Soviet leader is on record as having declared that he and his government, "in spite of our serious doubts," are ready to "try out" the President's idea, "with the proviso that work should be completed in the shortest term agreed upon beforehand."

Taking due note of this condition, Mr. Eisenhower has suggested to Mr. Khrushchev that the proposed meeting begin at Geneva, Switzerland, "within 3 weeks of our learning whether these arrangements are acceptable to you." The arrangements would bring together distinguished experts (the State Department has already designated three outstanding Americans for the project) from the Soviet Union, Britain, France, the United

States, and a few other countries on both sides of the Iron Curtain. In the President's words, these men would be "chosen on the basis of special competence, so as to assure that we get scientific, not political, conclusions" from them regarding how best to safeguard against "possible violations of an agreement on the cessation of nuclear tests." Further, he would have them make "an initial progress report within 30 days after convening and to aim at a final report within 60 days. . . ."

This is a time schedule that seems reasonable enough to satisfy Mr. Khrushchev's call for a speedy completion of any technical study that may be undertaken. Certainly, if he responds promptly and affirmatively, it should be possible for the Communist and non-Communist experts—assuming that they work together in a genuinely scientific spirit—to arrive at firm conclusions and recommendations 3 months or so from now. That is to say, they should be able, within that period, to figure out the kind of policing machinery that would be needed (international observation posts and the like) to provide adequate insurance against the danger that a testing ban might be circumvented or violated through clandestine underground detonations—explosions that could be easily confused with natural earth shocks unless an effective system of inspection were operating.

Of course, even if Mr. Khrushchev assents to the President's proposal, and even if the Kremlin finally agrees to accept real international control over a stoppage of nuclear tests, only a small part of the tremendously complex problem of disarmament will have been dealt with satisfactorily. But such a development, if it materializes, will be nonetheless encouraging as a first step—a little break that might eventually become very big—out of the dreary and deadly dangerous impasse in which East and West now find themselves.

[From the Philadelphia Inquirer of May 26, 1958]

PRESSING THE RUSSIANS ON THE SUMMIT

Half a year ago, when the Russians began thumping their propaganda drums for a summit meeting, they seemed to have things all their way. Russia was in the position of eagerly desiring effective negotiations between East and West; the United States seemed to be holding pack.

But now the positions have shifted drastically, and President Eisenhower's latest note to Soviet boss Nikita Khrushchev emphasizes the change.

On the surface, Mr. Eisenhower's proposals for a meeting between scientists representing the West and those speaking for the Soviet bloc seem to be a long way from any heads-of-state conference to discuss the great problems afflicting the world.

The purpose of the scientists' session suggested by the President is limited. Three men of notable achievement in science from the United States would meet with similar experts from other countries to try to agree on just what measures would be necessary to supervise and control disarmament agreements.

President Eisenhower did not limit the question to checking an agreement to halt nuclear tests, as the Russians have proposed. But there is little doubt that the big question to be studied by the scientists would be detection of nuclear explosions which any nation might set off in violation of an agreement to suspend them.

Beyond those scientific matters, however, there is a broader question which this scientific get-together might answer: whether there is any ground for believing that the Russians are willing to discuss any issue, not on political or propaganda grounds, but on the basis of the most expert opinion of what the facts are.

Up to now, the Russians have balked at any honest attempt to narrow the issues between East and West and to agree at least on what the two sides are talking about. They announced they were stopping their own atomic tests, after a series of explosions which shot tons of radioactive material into the atmosphere, and asked us to suspend ours. But they wouldn't agree on any means of checking for secret tests.

Khrushchev's grudging concession a few weeks ago on a meeting of scientific experts may only have indicated that the Kremlin realized its negative stand on presummit exploration of the issues had backfired. But he did, at least, agree that such a meeting might be held.

President Eisenhower's proposal that the meeting be held in Geneva, Switzerland, and the State Department's designation of the three outstanding scientists who would represent the United States are effective displays of initiative.

Moreover, the President's suggestion that the sessions begin within 3 weeks, and that the scientists prepare a report on the technical aspects of inspecting disarmament agreements within 60 days puts it up to the Russians to make a definite answer without delay.

Even if Khrushchev should agree to the meeting, there would be plenty of obstacles. Mr. Eisenhower's pointed suggestion that Communist experts be chosen for their scientific competence shows his awareness of the danger that Russian scientists would be guided more by the party line than by the facts in their conclusions.

Thus the Eisenhower note is but one more move in the presummit chess game. But it is an important and effective move, showing American willingness to discuss the problem of nuclear testing on the basis of agreed scientific facts any time the Russians are willing to go along.

Khrushchev can keep talking about the summit without doing anything to get there. But if he really wants to take effective steps toward top-level negotiations between East and West, President Eisenhower has shown him where to begin.

[From the Tampa Sunday Tribune of May 25, 1958]

MOVING OFF DEAD CENTER

Mr. Eisenhower's new letter to Soviet Premier Nikita Khrushchev is a determined effort to get the Russians to take another step toward scientific talks at Geneva on plans for policing a possible world ban on nuclear weapons tests.

In tone, the note is friendly and conciliatory. It is also positive and constructive, qualities which have been conspicuous by their absence in some of the recent letters exchanged by the leaders of the most powerful countries of the West and East.

Basically, the President's letter is an acknowledgment of Khrushchev's acceptance on May 9 of one small portion of a series of American proposals for international agreement on nuclear disarmament and inspection systems. The Russian leader accepted only the suggestion that technical studies be held to determine methods for detecting possible violations of an agreement on cessation of nuclear tests.

In taking the positive tack, Mr. Eisenhower urged Khrushchev to agree to a meeting of nuclear scientists within 3 weeks. He followed it up by naming a three-man team of top United States scientists who, he said, have no connection with politics, to meet with a group of Soviet experts.

At the same time, the White House said that additional expert scientists for the Western side might be contributed by Britain, France, Canada, and possibly other countries. This leaves the way open for Russia to bring in experts from such countries as Poland, Czechoslovakia, and Communist China if it chooses to do so.

One of the significant points about the Eisenhower proposition is that it is not hedged with severe restrictions. On the contrary, the President, in the brief and personal note, seemed to go out of his way to make the proposal appealing to the Russian official. He also seemed anxious to move the situation off dead center.

In answer to Khrushchev's comment in a previous communication that the Western nations might stall and delay progress on any substantial agreement, Mr. Eisenhower said the scientific experts could meet within 3 weeks if the Russians were agreeable, make an initial progress report within 30 days and aim at a final report within 60 days or as soon thereafter as possible.

How can Moscow now refuse to move forward with the new American proposal for broad-scale technical discussions on means of enforcing disarmament agreements, including a ban on nuclear test explosions.

Certainly Mr. Eisenhower has demonstrated he is entirely sincere in hoping for constructive accomplishments. His sincerity invites an equal sincerity in Moscow. If the Russians are willing to enter the technical discussions with a similar purpose of attaining concrete results, substantial progress toward an accord on the suspension of nuclear weapons tests might well follow during a later conference at the summit.

Mr. HUMPHREY, Mr. President, these editorials are an indication that the Nation agrees with the President's decision. The editorials also reflect a point of view which I have held, and have been urging the President to consider—that is, the separation of the proposal for test suspension with inspection from the other proposals in our disarmament package.

If the Soviet Union agrees to hold talks on an inspection system, then it seems to me the United States has no course but to negotiate with the Soviet Union on a test ban. To refuse to do otherwise would be to make the President's constructive proposal a meaningless gesture, for what is the reason to discuss inspection for a test suspension if we do not wish to negotiate on the subject?

The only justification for a refusal by the United States to negotiate, after the report is submitted by the two groups of experts, would be a refusal of the Soviet Union to agree to effective inspection. The word "effective" is the key to whether a test suspension would be possible.

We must assume that in calling for technical groups to study inspection, our Government is satisfied that verification of a test-suspension agreement would be possible. It would be unthinkable, and also hypocritical, for the United States ever to propose a measure, and then to declare that inspection for verification was not possible. Therefore, it seems reasonable to assume that the President has satisfied himself that inspection can be effective. I say this, although the administration has not studied the inspection problem to the extent that I believe it should have. It had not studied in detail the problem of underground nuclear testing. For that reason, I undertook, as chairman of the Disarmament Subcommittee, to obtain information on this point from reliable seismologists throughout the country. For that reason, I also wrote to the President, on May 16, and offered to him, to Dr. Killian, and to others who are con-

cerned with this problem, the results to date of the subcommittee's study. Testing underground is the most important aspect of detecting and identifying such tests. Tests on the surface or low in the atmosphere can be detected quite easily; and tests in high altitudes promise not too much difficulty in the way of detection, although some more work must be done on this problem. But testing underground does present problems, and this will be the most important point which our experts must discuss with the Soviet scientific representatives.

Mr. President, I shall speak further on the subject of inspection for a test suspension. But I wanted to make these few remarks today.

I ask unanimous consent to have printed in the RECORD the text of a release I made on my correspondence with the President about the material of the Disarmament Subcommittee on the detection of underground testing.

There being no objection, the release was ordered to be printed in the RECORD, as follows:

SENATOR HUMPHREY OFFERS PRESIDENT VITAL DATA ON NUCLEAR TEST INSPECTION

Senator HUBERT H. HUMPHREY, Democrat of Minnesota, revealed today that he has made available to the White House the replies of over 20 seismologists to a questionnaire of the Disarmament Subcommittee on the detection and identification of underground nuclear testing.

Senator HUMPHREY, chairman of the Disarmament Subcommittee, released correspondence with the President on May 16 and 19 in which he urged the President to find out whether the Soviet Union is or is not willing to agree to a supervised test suspension, and expressed the eagerness of the Disarmament Subcommittee to cooperate with the executive branch on the most vital and complex question of arms control.

"I believe that Dr. Killian would find the answers to the questionnaire of considerable use in his work on devising an inspection system for a nuclear test suspension," Senator HUMPHREY wrote. "If he or any of the members of his Committee wishes to see these replies I would be pleased to send them to the White House."

Senator HUMPHREY indicated that the replies to the subcommittee's questionnaire from about 25 leading seismologists throughout the country would be published along with a staff summary and analysis of their content. The Senator made his offer to the President in view of the President's intention of setting up a scientific group to meet with Soviet scientists on the inspection system needed to verify a test suspension agreement, if this is also acceptable to the Soviet Union.

Senator HUMPHREY indicated that although he had not yet heard from the President directly, Dr. Killian has sent for the material mentioned in his letter.

Text of the correspondence follows:

MAY 16, 1958.

THE PRESIDENT,

*The White House,
Washington, D. C.*

DEAR MR. PRESIDENT: It is my understanding that you are currently considering your reply to the note of Mr. Khrushchev of May 9. In that note Mr. Khrushchev agreed to one of your earlier proposals, namely, to establish a scientific group to study the inspection system necessary to assure that a nuclear test suspension was being observed.

I am writing this letter to urge you to pursue this apparent change in Soviet policy so that we may find out whether the Soviet Union is or is not willing to agree to a supervised test suspension. If an adequately in-

spected test suspension could be agreed upon, I believe it would be a meaningful but safeguarded first step toward slowing down the armaments race. It would help to relieve tension throughout the world, and it would reduce whatever risk to human health there may be in continued testing. If the Soviet Union would not accept the necessary inspection system, the Soviet unilateral test cessation and pleas for test cessation would be exposed as hypocritical and deceitful.

The main purpose of this letter is to inform you of the availability of replies to a questionnaire sent by the Subcommittee on Disarmament to some 37 seismologists. The questionnaire dealt with the detection of underground nuclear explosions and the inspection system needed to verify a test suspension agreement.

Our analysis of the replies to this questionnaire is not yet complete. However, I believe that Dr. Killian would find the answers to the questionnaire of considerable use in his work on devising an inspection system for a nuclear test suspension. If he or any of the members of his Committee wishes to see these replies I would be pleased to send them to the White House.

The Disarmament Subcommittee is eager to cooperate with the executive branch on this most vital and complex question of arms control.

Respectfully,

HUBERT H. HUMPHREY.

THE WHITE HOUSE,

Washington, May 19, 1958.

DEAR SENATOR HUMPHREY: For the President, it is a pleasure to acknowledge your May 16 letter requesting an inspection system for a nuclear test suspension, and to assure you that you will be further advised at an early date.

With kind regard.

Sincerely,

BRYCE N. HARLOW,
*Administrative Assistant
to the President.*

DISARMAMENT

Mr. HUMPHREY. Mr. President, more and more organizations and groups throughout the United States are devoting study and discussion to the problem of disarmament. Some few years ago the number of organizations with stated positions on this subject were extremely few—perhaps no more than several dozen. But today, the situation has changed; and people are beginning to realize that the arms race is a futile one. They know we must have sufficient military strength to defend ourselves and to be able to keep our international commitments. But many of our citizens are demanding greater attention to halting the arms race by our Government and by the Representatives the people have sent to the Congress.

The position on nuclear weapons tests of three leading organizations were sent to me recently. One is the Woman's Division of Christian Service of the Board of Missions of the Methodist Church, which advocates an agreement to suspend nuclear weapons tests for a trial period and under proper inspection safeguards. The Woman's Division also urges the creation of a group to work out additional disarmament steps.

I digress to note that practically every single organization today that comments at all upon the disarmament question, or comments in any way upon the question of test suspensions or the ban of

nuclear tests, also includes, fortunately and properly, within its resolutions or comments the imperative necessity of an adequate and an effective inspection system. I really believe that the work of our Subcommittee on Disarmament and of spokesmen in private and public life on the subject of disarmament has begun to take hold in the American community. People are thinking much more sensibly, much more constructively, and much more reasonably about the whole subject matter of disarmament and the importance of an adequate inspection and detection system.

Mr. SYMINGTON. Mr. President, will the able Senator yield?

Mr. HUMPHREY. I yield.

Mr. SYMINGTON. I congratulate the Senator from Minnesota on the fine work he has done as chairman of the Subcommittee on Disarmament. It is one of the outstanding accomplishments since I have been in the Senate.

Does not the Senator agree with me that we should do everything possible to obtain nuclear test cessation, provided we do not do so on a unilateral basis.

Mr. HUMPHREY. I surely do. I wish to repeat that the Senator from Missouri has been a clear and powerful voice to the American people in terms of educating and informing them of the importance of an inspection and detection system within the entire disarmament subject matter.

As the Senator knows, it is the key to the problem. Sometimes we have had a little difficulty in getting the people to understand it. Too many times editorial writers and spokesmen talk about disarmament or test suspension without placing the emphasis which is needed upon the scientific development of an adequate and effective inspection system which can replace the quality known as trust, because we simply cannot trust; we have to rely upon inspection.

Mr. SYMINGTON. I know the Senator agrees that we should not be penalized for our consistent and persistent efforts to find an adequate method of test cessation. We should be penalized for not being willing and anxious to pursue test cessation, but only with the premise of an inspection system which would mean it was not unilateral disarmament on our part.

Mr. HUMPHREY. The Senator is correct. In fact, criticism should be directed against those who recommend unilateral disarmament without an inspection system. Then we would really be the targets of justifiable criticism.

Mr. SYMINGTON. I thank the Senator. Let me say again it has been a great privilege to work with him on the Disarmament Subcommittee.

Mr. HUMPHREY. I thank the Senator.

The second organization which I wish to mention is the United World Federalists. This group has also taken a position urging an agreement to suspend nuclear weapons tests, along with the establishment of a U. N. inspection agency to verify that the agreement was being observed.

I also note that this splendid organization met in annual convention in Minneapolis, Minn. It adopted very constructive resolutions, which I shall later place in the RECORD, when the officers of the organization make them available to me.

It was my privilege to be one of several persons who addressed the United World Federalists Conference. I found the audience and participants to be men and women not only dedicated to the cause of a just and enduring peace, but to be very alert, intelligent, and constructive in their approach.

The third organization is the National Council of Jewish Women. The council wrote to the President to "proclaim to the world our Government's forthright stand in support of a halt to the testing of nuclear weapons" and to propose immediately "an inspection system to maintain this suspension."

Mr. President, I compliment and commend the National Council of Jewish Women upon their thoughtful and constructive resolution and proposal.

I ask unanimous consent to have printed in the RECORD the statements of these three organizations on the suspension of nuclear weapons tests.

There being no objection, the statements were ordered to be printed in the RECORD, as follows:

WOMEN'S DIVISION OF
CHRISTIAN SERVICE OF THE BOARD OF
MISSIONS OF THE METHODIST CHURCH,
New York, N. Y., May 12, 1958.

The Honorable HUBERT H. HUMPHREY,
Chairman of the Senate Subcommittee
on Disarmament, Senate Office
Building, Washington, D. C.

MY DEAR SENATOR HUMPHREY: The women's division of Christian service of the Methodist Church considered the question of suspension of nuclear testing during its recent executive committee meetings. This group, which is the policy-making and administrative body for nearly 2 million Methodist women, has registered the opinion that it is important at this time, both for practical reasons and for the effect on world opinion, to separate the question of cessation of nuclear tests from other matters of disarmament. It is our opinion that proper safeguards can be insured and that the matter can properly be dealt with as a first step toward disarmament.

While we are keenly aware of the Nation's need to guard its security, we are also much concerned about the moral questions involved in continued testing and of the tremendous fear accompanied by some measure of distrust which has been aroused in countries like Japan.

For these reasons, the women's division of Christian service is anxious to see such measures as these suggested in Mr. Harold Stassen's proposals adopted:

1. Agreement to suspend tests for a trial 2-year period.
2. Establish a United Nations' inspection agency.
3. Install inspection posts inside and outside the United States of America and U. S. S. R.
4. Create a group to work out additional disarmament steps.

We are convinced that this four-step plan, or something similar, offers one of our best hopes at the present time.

Yours sincerely,

SADIE W. TILLMAN,

Mrs. J. Fount Tillman,

President.

TEXT OF UWF TELEGRAM TO PRESIDENT EISENHOWER

DEAR PRESIDENT EISENHOWER: When in a time of crisis over a year ago, you said, "There can be no peace without law," you spoke the most compelling truth of our age.

At this particular time many people in many parts of the world believe a nuclear test suspension offers a promising first step.

Although the physical and moral danger in which we find ourselves is well nigh intolerable, any separate measure to reduce the arms race involves grave risk. However, the risk will be minimized if a single step is not regarded as an end in itself, and if it facilitates taking additional steps promptly.

Therefore, we urge you, Mr. President, to delay no longer in negotiating a nuclear weapons test suspension based on the following four points:

1. A 2-year agreement by the big two to suspend tests from the date of treaty ratification by both nations.
2. Creation of a U. N. inspection agency.
3. Installation of inspection posts inside the United States and Russia with scientific instruments to verify the end of testing.
4. Setting up of a negotiating group to work on additional disarmament steps during the 2-year period.

We attach particular importance to the opportunity this proposal affords to initiate a United Nations inspection system within the major nations, as you have repeatedly advocated. If the expressed Soviet willingness to accept this inspection can be realized, it would represent so advantageous a breakthrough in one of the most difficult, yet essential, aspects of disarmament as to outweigh the considerations which have so far deterred our Government.

We believe that the same alternative to surrender to Soviet domination, or suicide in an atomic war, is to invest the United Nations with the power of world law to enforce world peace with justice for all.

This will require the disarmament of all nations under U. N. authority, the substitution of an effective U. N. police force for the common security, and U. N. courts and arbitral tribunals for the prompt and just settlement of international disputes by peaceful means.

We recognize that it will take time to develop world political and legal institutions adequate to the challenge of modern science and technology. Nevertheless, we are convinced that a clear and sincerely declared intention to pursue this objective to the end will determine what practical action can be taken now, and must define our course in the future.

As the goal is comprehensive, many paths may lead to its attainment, and none should go unexplored that offers hope of some progress, however slight.

Sincerely yours,

DONALD HARRINGTON,
President, United World Federalists, Inc.
APRIL 21, 1958.

NATIONAL COUNCIL
OF JEWISH WOMEN, INC.,
New York, N. Y., April 23, 1958.

The President,

The White House,
Washington, D. C.

MR. PRESIDENT: The National Council of Jewish Women urges you, in the interest of the peace and security of the world and the leadership of the United States, to meet directly the great fear of nuclear weapons testing that torments the world. We urge you, in the name of the United States, to:

1. Proclaim to the world our Government's forthright stand in support of a halt to the testing of nuclear weapons.
2. Immediately propose an inspection system to maintain this suspension.
3. Propose the immediate convening of the United Nations Disarmament Commis-

sion to achieve quick agreement on an inspection system to halt nuclear weapons testing throughout the world at the earliest possible moment.

We are writing to you, Mr. President, in a mood of despair and urgency created by our conviction that the American people are losing faith in themselves because they are losing faith in their ability to act as leaders in the world.

This would be tragic if it were to continue. Our loss of national self-confidence has been highlighted most recently by our frustration and sense of inadequacy when the Soviet Union made its gesture of stopping its nuclear weapons testing without inspection. There is the feeling on the part of many Americans that the world is being offered no alternative to Soviet leadership.

Has the world no alternative, Mr. President? Have we the American people no alternative? Must the United States, too, follow Soviet initiative and succumb to Soviet leadership?

We of the National Council of Jewish Women believe that the United States has other steps to take, other action which it must effect immediately so as to assert its leadership to its own people and to the world. We believe that the three points enumerated in our letter above indicate the general course that the United States must take at once. We believe that in following out this course the United States will be strengthening the cause of peace and security by originating action to end the dangers of nuclear weapons testing in the world and thus end the danger to future generations of atomic fallout.

The American people and the world look to United States advocacy of a halt to testing and of an inspection system to protect such an agreement as the only hope of a world in mortal fear.

We earnestly hope, Mr. President, that you will see fit to use your great office to implement United States Government action along the lines we have indicated. We believe that in so doing, you will be extending United States leadership in the world in its best and greatest sense.

Respectfully yours,

Gladys F. Cahn,

Mrs. MOISE S. CAHN,

President.

MR. HUMPHREY. Mr. President, among other articles and editorials on various aspects of the problem of arms control, and worthy of special mention, is an article entitled "How the Arms Race Can Be Checked." It appeared a few weeks ago in the Reporter magazine, and was written by a brilliant young Air Force Reserve officer, Richard S. Leghorn. Mr. Leghorn is also president of the ITEK Corp., and chairman of the National Planning Association's special project committee on security through arms control. Mr. Leghorn points out that "it is no longer good enough to blame arms-race problems on communism alone" and that "it is also true that the arms race, once begun, is in part self-generating."

Mr. Leghorn makes some novel suggestions in this article. He calls upon science to help devise ways to slow down the arms race in addition to accelerating it. For example, he suggests that new scientific disciplines, such as operations analysis, war gaming techniques, and systems engineering might be used in arms control matters. Another device would be an inspection satellite. I have been similarly interested in such devices, and on several occasions have urged

priority be given to the development of a reconnaissance space satellite.

Mr. Leghorn also points out that at present there are several important groups devoting fulltime to speeding up the arms race—the Rand Corp., the Army Operations Research Office, and the Defense Department's Institute of Defense Analyses. Why cannot we, says Colonel Leghorn, organize one such group to be concerned with checking the arms race? He is right. We need to have Government, as well as private efforts, devoted to studying this complex but, nevertheless, vitally important problem.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point the full text of Mr. Leghorn's article.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW THE ARMS RACE CAN BE CHECKED (By Richard S. Leghorn)

Two centuries ago Benjamin Franklin demonstrated the important role a scientist can play in public affairs. His awareness of the problem that still confronts us is shown in a letter he wrote to Joseph Priestley:

"It is impossible to imagine the height to which may be carried, in a 1,000 years, the power of man over matter. We may perhaps learn to deprive large masses of their gravity, and give them absolute levity, for the sake of easy transport. O that moral science were in as fair a way of improvement, that men would cease to be wolves to one another."

The Franklin example of a dedicated scientist-statesman was, unfortunately, almost unique in our Republic until the Second World War brought its Comptons, Bushes, and DuBridges. The recent appointment of the respected Dr. Killian to responsibilities at the summit of our political life is the latest example of the resumption of the honorable and exciting contributions of scientists to our public affairs that began with Franklin.

Mankind, already well into a second atomic decade, has now entered the first space decade. The conjunction of an intense ideological conflict with the rapidly accelerating pace of technological revolution has led to an entirely new sort of arms race. Coming to grips with this problem is surely the key issue that faces our scientist-statesmen today. For until we address ourselves to the problem of enlisting a substantial scientific effort in the design of a workable security system, the arms race in all its madness will continue to enslave science throughout the world. The 50 percent of the West's research and development now feeding the arms race and the even higher Russian figure will continue or even increase, while science for peaceful pursuits will be severely limited.

The crux of our scientific problem today is not more science for the arms race, important though that may be as an interim measure. Neither is it just to loosen the grip of the arms race on science, for that would be tantamount to unilateral disarmament. The crux does not even lie in placing direct emphasis on science for peace—whether atoms for peace, space for peace, food for peace, or any other. The science-for-peace programs cannot possibly flourish in an age of deep insecurity and fear. All these problems will take care of themselves when—and only when—we have dealt with the more urgent problem of undertaking a major scientific effort to aid in the construction of a rational world security system.

NEW STYLES IN WEAPONS

Looking at the weapons of today and tomorrow, we find that smaller nuclear explosions represent a more likely trend than larger explosions. Huge explosions, of course, are technically feasible. One occasionally hears talk of "gigaton" weapons representing the equivalent of billions of tons of TNT, but the military usefulness of such weapons is open to serious question.

More significant than the amount of explosive force will be the size of the weapons themselves. We already read of atomic and hydrogen weapons small enough for fighter aircraft, missiles, and artillery pieces. "Suitcase" A-bombs have been mentioned. We can expect the trend toward a bigger bang per cubic foot of bomb to continue further before practical limits are reached. "Clean" weapons, of course, represent another design trend, but it is not yet clear just how "clean" a nuclear device can become. Under many conditions of explosion, even "clean" weapons produce a dirty result in terms of radioactivity. But possibly the more long-persisting products can be avoided.

The world is beginning to test ballistic rockets whose speed approaches the velocity needed to escape from the earth. This means that the practical limits of velocity for terrestrial wars have been reached. While reentry speeds may become greater, we cannot expect the speed of weapons to targets on earth to increase significantly beyond the speeds now being tested. There will, however, be two significant trends in delivery systems.

First, bases will become more mobile, more dispersed, much smaller and less detectable, and therefore less vulnerable. In hand or immediately foreseeable are rocket launchings from underground sites and from mobile platforms on the ground, on the sea, under the sea, and from aircraft. While launchings from space platforms will be technically feasible, it is not yet clear whether space launching sites for terrestrial wars will offer appreciable advantages.

Second, what is known as the reaction time of delivery systems will shorten appreciably. Today the countdown time necessary to prepare long-range missiles for firing is about the same—10 hours or so—that it takes long-range aircraft to fly between continents. But the development of missile systems, particularly improvements in solid propellants, will soon shorten the time needed for preparation. We can foresee that before many years 1,000- to 2,000-mile rocket weapons will be maintained in a state of readiness permitting nearly instantaneous firings. The readiness time of 6,000-mile missiles can be shortened to minutes instead of hours and they may eventually be instantaneously ready. Thus, the reaction time from the instant of command to megaton explosions 1,000 to 6,000 miles away will soon run from about 10 minutes to less than an hour.

The accuracy of weapons, both for defense and counteroffense, will, of course, increase steadily, but not fast enough to offset the two dominant characteristics of opposing delivery systems—speed of delivery and small, dispersed, and relatively invulnerable bases. Thus, defense either by counteroffense or by Maginot Line techniques does not look promising. Retaliatory doctrines will continue to dominate the great-power scene in a military standoff, where violent conflict poses losses for each side that would more than offset any possible gains.

THE CONSEQUENCES

These trends in the design and development of weapons produce a number of troublesome consequences. For one thing, the arms race is already producing the so-called *nth*-country problem—known to the British as the fourth-country problem, and to the French as the fifth-country problem,

and to others by various numbers. In the absence of arms controls, modern weapons will come into possession of more and more nations either through gift, sale, or local development. Ownership of modern weapons by many nations, some of which may be irresponsible or even fanatical, will introduce a major factor of instability into the world's security arrangements.

Furthermore, the increasingly fast and automatic response characteristics of modern weapons will lead to concentration and delegation of control. There will be much less time for investigation, diplomacy, and decision making. The dangers of accidental war or the accidental spread of limited war to total war become increasingly significant.

Finally, reliable physical inspection for possession of nuclear warheads is already impractical. With the decreasing size of warheads and the growing ease of hiding bases, many other inspection and control problems will approach practical insolubility. Man faces steadily increasing difficulties in backing out of the corner into which he is now boxing himself.

We must henceforth deal with two major threats to our security: Communist imperialism and the arms race itself. While it is true that the arms race would largely disappear if communism disappeared, it is no longer good enough to blame arms-race problems on communism alone; it is also true that the arms race, once begun, is in part self-generating.

Can we construct a rational world security system capable of blocking military aggression and simultaneously of dealing with the threat of the arms race? Can peace be maintained without an unlimited arms race by a stabilized system of deterrents and arms controls?

I believe that these questions can be answered affirmatively in view of the advantages to both the United States and the Soviet Union of stabilizing massive deterrence.

WHAT WE WANT

Consider first the nature of massive deterrence. To deal with the threat that Russia, now the world's only other great military power, might initiate nuclear war against us, we have built a capacity for massive retaliation against military forces and productive centers. This retaliatory strength deters by presenting Russia with a situation in which it would lose immensely more than it could possibly gain from initiating nuclear war against us. Our policy of massive deterrence is now undergoing a critical period of change, whether we like it or not. Until now, our deterrent power has been based on military superiority—composed of a nuclear advantage, a better geographical situation and base structure, and greater air strength. In a few years these particular military superiorities will either vanish or lose their significance.

The Russian nuclear stockpile, while perhaps not equal to our own, will nevertheless be quite sufficient for military and retaliatory purposes. ICBM's and submarine missile systems will give the Russians an intercontinental capability and offset much of our current advantage in overseas bases. Rocket devices, whose development the Russians emphasized after the war while we tarried and in whose technology they now lead us, will become the principal retaliatory weapons.

Then, too, consider the sources of modern military power. In some fields of science and technology, the Russians are clearly our equals. As for production know-how, it is no longer mass production in a sudden mobilization after a surprise attack that counts, but the ability to produce batches of new weapons systems promptly as new technology makes them feasible. In this regard, Russia has demonstrated shorter lead times than our own. As for the economic source of military power, the Soviet system, although it is smaller than our own, has demonstrated

a sustained ability to divert a much larger fraction of its budget to military ends, whether in peace or war. Another source of military power is the sort of military intelligence that enables a nation to know quickly where the threats and opportunities are and what new equipment needs to be built. Here the Russians are definitely superior. In short, we cannot be complacent about the relative strengths of Soviet versus American sources of military power.

Instead of deterrence through military superiority, then, we shall soon have the long heralded situation of mutual deterrence. Russia, too, will have achieved a capacity for massive retaliation sufficient to kill the United States as a modern nation.

There are a number of critically important things we can and must do to maintain deterrence against massive Russian attack.

One military measure which should have been taken years ago and which is now crucial is to make our retaliatory force relatively invulnerable: in military jargon, we must disperse, give mobility to, and "harden" our present "soft" retaliatory forces. These forces now include our quite vulnerable SAC airfields, many vulnerable overseas bases, and aircraft carriers. A temporary solution is being sought by SAC, which will soon be more dispersed and able to have one-third of its striking force airborne in 15 minutes. Although SAC thus becomes less vulnerable, even this partial solution depends on actually receiving timely warning—no easy trick in an age of ballistic rockets. The real solution to the problem of developing a hard retaliatory force lies in many dispersed underground, submarine, and mobile launching sites for rocket weapons. The costs of an invulnerable rocket retaliatory force are large and must be borne. There is little reason to continue to pour vast sums into soft bomber and carrier systems.

Our second essential step in preparation for the coming period of mutual deterrence is to obtain reliable warning of surprise attack. Our deterrent power will be greatly enhanced when we have both hard bases and adequate warning. But with soft bases and without warning, we shall be inviting attack whenever Russia has a massive intercontinental capability.

It was to solve the warning problem that the Russians themselves on May 10, 1955, proposed the exchange of ground-control posts at major Military Establishments. Although nuclear warheads can be concealed without much difficulty, a system of inspection that could be depended on to discover major military movements would go far to prevent surprise attacks and accidental wars caused by misinterpretation.

The third step we must take in order to stabilize deterrence is to make certain that our retaliatory weapons are not inferior to those of the Russians. This means getting excellent information about Russian military affairs—much better than the intelligence we now have. Our own "open skies" proposal would go far toward enabling us to avoid insufficiency in our retaliatory weapons.

Thus, from the American point of view, controlled mutual deterrence will increase security and can be substituted for the arms race for military superiority, provided that we have hardened our bases and that there is enough mutual inspection to warn of surprise attack and provide information to warn of approaching retaliatory inadequacy. Air inspection by space satellites may be the key to a rational world security system.

WHAT THEY WANT

Now let us examine the Russians' position. Are they ready to accept any arms controls? Despite the failure of the London disarmament talks, I personally hold firmly to the view that within a few years Russia will accept enough controls to stabilize the arms

race. Consider these five points from the Russian point of view:

First, Russia will achieve in a few years a sufficient intercontinental capacity for massive retaliation, at least for all practical political purposes. Russian diplomacy and political conflict strategy will no longer be restrained by retaliatory inferiority.

Second, it is obvious from Russian protestations and threats about missile weapons for NATO countries that Russia is becoming acutely aware of the nth-country problem. This awareness has been sharpened by reflection about the Hungarian revolt; suppose Hungary had been in possession of modern weapons of retaliation? Also, Russia can hardly thrill at the notion of a Nasser or a Mao being so equipped.

For the Soviets, the problem of controls on nuclear production is a matter of fine judgment as to timing. Production controls too soon would mean an inadequate retaliatory capacity vis-a-vis the United States. Accepting them too late will bring the risks of the nth-country problem. Thus, it seems reasonable to estimate that Russia will try to strike a balance and accept controls on nuclear production within a few years.

Third, certain quarters in Russia have now developed genuine apprehension of a surprise mass attack. In the postwar years, Russian military planners became fully aware of the decisive nature of surprise attack with modern weapons, and the obsolescence of the historical Russian defense based on mass deployed in depth as successfully used against both the Napoleonic and Hitlerian invasions. SAC's readiness exercises and preventive-war talk in the United States keep this apprehension alive. Today it is supplemented in Russia by an awareness of the danger of accidental war. There is every reason to believe that the Russians' interest in warning of surprise has persisted since they proposed an exchange of ground control posts in May 1955.

Fourth, with the advent of the sputniks and the Air Force's announcement before LYNDON JOHNSON's Senate Preparedness Subcommittee that it will operate a reconnaissance satellite by the spring of 1959, the Russians assuredly realize that open skies are inevitable. In addition, they must now realize that the open skies proposal was not just a trick of United States intelligence but a necessary precondition if the United States is ever to give up the arms race and accept a stable military stand-off, whether tacitly or explicitly recognized. The Russians seem concerned that our first reaction to sputnik was to accelerate the arms race. The combination of this concern about a continued arms race, our firm insistence on open skies as the key precondition for stabilizing the military situation, and their awareness of its inevitability will surely bring mutual aerial inspection before long.

Fifth, Russian Communist imperialism always considers all methods in planning and executing its strategy of conflict with the West. There is ample evidence that in the present military situation Russia now sees a great deal more to be gained by the methods of nonviolent conflict than by war. True, it has first to achieve at least retaliatory sufficiency with the United States in order to free its diplomacy to play a fully mischievous role. But this sufficiency will be achieved in a few years, and it has already been discounted in advance throughout diplomatic and propaganda circles. Therefore, it is quite in keeping with Russia's overall strategy to stabilize the arms race in order to release economic and technological resources for the waging of nonviolent conflict.

For all these reasons and more, Russia will soon accept enough controls to stabilize deterrence and minimize risks from the nth-country problem and accidental wars. While welcoming this development and avoiding unreasonable demands in negotiations, we

must, of course, insist on soundly conceived and executed controls. For Russia, still pursuing its goal of world domination, and still relying on a total, amoral strategy to achieve it, will not hesitate to exploit weaknesses in any arms-control program. The blatant use of "ban the bomb" propaganda, while officially recognizing that inspection for warheads is no longer practical, is evidence enough of Russian duplicity on disarmament issues. We must proceed both with optimism and with caution, an approach Harold Stassen wisely took in all his disarmament negotiations.

RATIONAL AND REALISTIC

The time has clearly come to do a little inventing in a novel field. Instead of inventing new weapons systems, ad infinitum, science and technology must life their sights and invent a rational world system to provide security from war; this system must be based on rationally organized and controlled deterrents. While technology has brought the greatest threat from war the world has ever known, it has also brought the greatest opportunity for security from war.

Such a system is our main hope for peace in the 1960's. The hope of eliminating the economic, political, and ideological causes of conflict is far from promising. The hope of eliminating the means of violent conflict through a direct assault on the disarmament issue itself is equally unpromising for the time being. But there is substantial hope of securing a stable peace by a sensible organization of the world's deterrent power and arms controls.

This system will in turn lead to improved methods for peaceful change and resolving conflicts; later it will lead to substantial arms reductions. But the first order of business is to construct world security arrangements that take account of mutual massive deterrents, limited deterrents, and certain arms controls.

The design of such a system would obviously be a very complicated matter. But it may be useful to summarize certain concepts which can and soon will be accepted as a matter of mutual self-interest and which will enable such a system to be organized.

Both the United States and the Soviet Union must build invulnerable rather than soft retaliatory systems, including underground ICBM's and two-stage intercontinental systems of the submarine-rocket and aircraft-rocket type. The United States must abandon the now profitless pursuit of decisive counterforce superiority vis-a-vis Russia, the pursuit of the "instant" in its capacity for massive retaliation, and the illusory hope of security through antirocket defensive systems. Russia must and will soon accept equivalent notions and, also, sufficient mutual inspection to warn of surprise attacks, to minimize the dangers of accidental war, and to warn of any approaching insufficiency in the retaliatory capability of either side.

As these concepts gain acceptance, the construction of a rational world security system can go forward rapidly. Disengagement, limitation on tests and nuclear production, the organization of international security forces, and limitations on the uses of modern weapons will appear as matters of logical self-interest.

Left to themselves, mutual deterrents are bound to become increasingly unstable and exposed to uncontrollable accidents. But stabilized by certain arms controls, mutual deterrents can pave the way to later reductions.

WHAT SCIENCE CAN DO

How can science contribute to the achievement of a rational world security system? The possibilities are almost limitless. Let us consider a few suggestions. First, new scientific disciplines, such as operations analysis, war gaming techniques,

and systems engineering, have been developed in recent years into powerful tools for dealing with large, complex problems. Brought to bear on the design of a rational world security system, they could help produce answers to such questions as: At what point will the payoff from the pursuit of counterforce superiority among great powers disappear in the 1960's? How many ground control posts are necessary to provide an adequate mutual system to warn of surprise attack, or to minimize the dangers of accidental war? Where should they be located, and how should they be manned and equipped?

The physical sciences, too, can contribute in important ways, particularly in providing the tools for inspection. Of the many possibilities, one merits specific consideration now, as it might well provide the key to the entire deadlock on arms controls.

What I mean is inspection satellites. Their feasibility can hardly be doubted any longer. There are the sputniks in being, some apparently capable of carrying a half-ton payload, and there has recently been a good deal of official testimony before Congressional committees as well as responsible reporting in the press about the imminence of TV satellites, both Russian and American.

Need we let the Russians reap yet another propaganda victory from their space technology by putting a simple television camera in Sputnik III and demonstrating an inspection satellite? Although this would not produce information of much actual significance, the Russians have already displayed an acute awareness of the political value of simple space devices. It would surely compound our chagrin if they would thus be able to capture for their own propaganda the appeal of the President's open skies plan.

Cannot our science produce such an instrument of peace? Have not the Russians already established through precedence the right of large satellites to be anywhere around the earth? Cannot the inevitability of inspection from space be used to accelerate Russian acceptance of some aerial inspection as well? A combination of space, aerial, and ground inspection would become the most powerful means for stabilizing the world's military situation and ending the madness of the current arms race. A United Nations arms-control agency equipped with modern data-processing devices could compile and disseminate the information to all nations. What better contributions could science make to peace?

But the fundamental problem still remains. How do we enlist science in the building of a rational security system? Science can contribute many tools for solving the problem, but the joining of science to the arms-control problem is a political matter.

Private organizations are now pointing the way. The initiative of the National Planning Association through its committee on security through arms control is one attempt to bring scientists and the arms-control problem together. But private means, essential and promising though they may be, are too slow and inadequate to cope with the total problem. Government must act.

Harold Stassen, who has done so much against so many odds to achieve arms controls, made an attempt in this direction 2½ years ago when he established 7 task groups to advise him on inspection matters. For his many initiatives, he well deserves the gratitude of his countrymen. But these task forces were called on only sporadically, and part-time advisers are inadequate anyway. What is needed is a full-time staff of many hundreds of system engineers and scientists of mixed disciplines whose sole duty would be to study and experiment with arms controls and the doctrines and design of a rational world security system.

For military purposes, we have several such groups—the Air Force has its RAND Corporation, the Army its Operations Research Office, the Defense Department its Institute of Defense Analyses—all serving to speed the arms race. Why couldn't the Government organize one such group to be concerned with checking the arms race?

Mr. HUMPHREY. Mr. President, another interesting article on the arms race has recently appeared in the magazine *World Affairs*. It is by Oliver D. Knauth and is entitled "How To Break the Disarmament Deadlock." Mr. Knauth's main suggestion toward breaking the disarmament deadlock is to strengthen the United Nations. He suggests such measures as limiting or giving up the veto, and defining aggression so that a nation cannot commit whatever it has agreed was unlawful.

Mr. President, one may not agree with all the ideas and analyses in his article, but one should agree it is important that such ideas be discussed and analyzed. For this reason, Mr. President, I ask unanimous consent to have Mr. Knauth's article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HOW TO BREAK THE DISARMAMENT DEADLOCK—AN INDIVIDUAL'S SUGGESTION
(By Oliver D. Knauth)

Nearly 100 years ago Henry Adams predicted that "someday science may have the existence of mankind in its power and the human race [will] commit suicide by blowing up the world." Unless the disarmament deadlock is broken, Adams' prediction is more than likely to come true.

What blocks disarmament? Can we honestly blame everything on Russia? Are we not trying to treat the symptom rather than the disease by calling upon the Soviet Union to disarm without first taking concrete steps to remove the fear and distrust which pervades our relations with the Kremlin? Have we made little or no progress toward establishing peace because we have not taken the proper steps in their proper order? Could it even be that the very idea of reducing armaments is out of date?

The Washington Naval Conference of 1923 reduced the world's greatest navies to a 5-5-3 ratio. The postwar period has produced renewed proposals to limit armaments quantitatively—but largely for propaganda purposes. Arms limitation has little meaning today because it is based upon the pre-atomic assumption that some day armed forces may clash and that in the ensuing conflict those forces should bear a certain proportional relationship to each other. Missiles do not clash; they pass each other, headed for the industrial heart of the opponent. The only limitation placed upon the number of intercontinental missiles will be the number of industrial targets offered by the largest potential enemy. The proposal that armaments be limited to a set ratio is an example of gunpowder thinking in the atomic era.

Disarmament in the prewar sense of reducing the size of armies and navies is not the issue at point today. The great powers are voluntarily cutting the size of their military establishments because in the age of ballistic missiles the ancient art of war is taking on a new aspect. In another war the targets will be more industrial than military. Women and children will be closer to the "front line" than the military technician in his underground launching site. Under such conditions the problem is not how to

limit the number of H-bombs; it is how to eradicate them altogether.

II

To abolish the warmaking capacity, particularly of the atomic variety, requires inspection and enforcement. Hence, since World War II the search for security has shifted its emphasis from disarmament to inspection and control systems.

The story of America's attempt to control atomic weapons is one to be proud of. Soon after the war, the United States representative to the U. N. Atomic Energy Commission, Bernard Baruch, presented United States proposals for international control of atomic energy. The United States declared its willingness, under effective control, to give up its A-bomb monopoly, destroy or dispose of its atomic stockpile and turn over atomic secrets to an international atomic agency in which no nation would wield a veto. The Soviet Union rejected our proposal and urged that control of atomic weapons be placed under U. N. supervision. Since this plan relates the atom to the U. N., it gave the impression of being international in character. Actually, Russia knows she can paralyze the U. N. through her veto power in the Security Council. The atom bomb can only be placed in the hands of an agency possessing independent authority to enforce its control, and Russia has been unwilling to make the necessary concession of sovereignty required by such an agency. But if the Soviet Union could be induced to give up the veto in the limited field of atomic control, her plan would have real merit. Because we have failed to persuade her to do so, progress on control of hydrogen weapons has been in the nature of a treadmill. Thus the specific problem is how to induce the Soviet Union to give up her veto over atomic control.

Since Soviet scientists discovered hydrogen fusion this country has stood in peril as at no time in its history. The Rockefeller report estimates that sixty-odd million Americans would be killed if Russia attacked. This raises the question: How long can America afford a policy dependent upon Soviet refusal to take constructive action toward controlling the atom? Can we wait until the Communists have sufficient intercontinental missiles to wipe us out before we know we are hit? Or should we go ahead with our plans regardless of the Soviet Union's attitude? Common sense points to the latter course.

Two major reasons why international inspection is imperative are: (1) Without inspection Soviet scientists may develop a defense against missile attack unbeknownst to us. Should they do so (and conceivably they already have) the entire basis of our security—our ability to retaliate massively—goes up in smoke; and if at this juncture the Soviet Union decides to attack, most of us will go up in smoke as well. With full inspection facilities the danger of the Soviet Union secretly developing a means of defense are much reduced.

(2) The intercontinental ballistic missile is not yet in mass production in this country and presumably not in the Soviet Union, though without international inspection there is no way to know how far they have progressed. However, the point is that the production of missiles, like the production of hydrogen bombs, can be readily detected and controlled. Only the finished article is elusive. If an inspection system can be agreed upon before ballistic missiles go into mass production, the prospect of human survival in the 20th century is considerably brightened. If we wait, the prospect is more likely to be racial hara-kiri.

III

If the present deadlock over inspection and controls is to be broken, the right steps must be taken in their proper order. For the past decade the Soviets and America

have wrangled over whether disarmament should precede some method of arms inspection or vice versa. This country favors the logical order of setting up controls first. The Soviets have balked at inspection because it would deprive them of one of their few advantages—the secrecy of their military plans.

Yet, if the Soviet Union has put the cart before the horse by demanding that disarmament precede inspection, America is also reversing the natural order by expecting the Soviets to reveal vital secrets while a state of international insecurity exists. Although both countries claim they are proposing a reasonable "first step," in fact neither is. We are correct in demanding that controls precede disarmament, but wrong in expecting the Soviet Union to accept such controls until her fear of "capitalist encirclement" has been abated.

If we are to make any progress in the disarmament talks, we must first dispel international distrust. Can this be accomplished by a new summit meeting with Soviet leaders? The answer is highly dubious. Distrust can better be dispelled by some concrete action which will prove to the world that the United States would never use the atomic bomb aggressively. That we should ever do so may sound absurd to Americans but it is by no means self-evident to the rest of the world. We tend to forget—but others remember—that the United States is the only country which has ever dropped an atomic bomb on a defenseless civilian population. Moreover, how defensive do our airbases in Arabia and elsewhere look to the Kremlin? How would Americans feel if the Soviet Union leased an airbase from Guatemala?

But even had we no airbases close to Soviet territory, the Kremlin would still be suspicious of our aggressive designs; for nations, like people, tend to judge others by themselves. Von Ribbentrop, Hitler's foreign minister, thought the British sent the Duke of Windsor to Bermuda "in order to do away with him at the first opportunity." The Soviets, with their dreams of world hegemony, attribute similar dreams to the United States.

The first step in any serious attempt to reduce world tensions, therefore, is for the United States to convince other nations—particularly the Soviet Union—that they have nothing to fear from our preponderant power. Before one can expect real disarmament, one must eliminate the cause for armament—namely, aggressive design on the one hand and fear of aggression on the other.

Up to World War II, America had little aggressive design and less fear of aggression. Hence we maintained a small Army. Today we have no aggressive design, but much fear of an atomic Pearl Harbor. Our armament bill is enormous.

The Soviet Union interprets our armament program as an indication of aggressiveness. She fears the United States as well as pursuing her own aggressive policies. Hence her military establishment is second to none.

There can be no prospect of peace until this military deadlock is broken. To do so should be the major aim of American foreign policy. By proving to the world that we harbor no aggressive designs—as much of the world believes we do—we can reaffirm our moral leadership as well as relieve the Soviet Union of her understandable apprehensions.

In the step-by-step approach to peace the first move should come from Washington. This may sound odd in view of the fact that Moscow has provided most of the grounds for distrust. Yet we have nothing to gain by perpetuating the present international tension; the Soviet Union has. If the Communist aim is world domination it can best be achieved under unstable con-

ditions. We should also consider that the Soviet Union is far more likely to launch a surprise attack than we are. In either case it is this country which stands to lose, not the Soviet Union.

The initial step which we should take is suggested by the nature of the threat which confronts us. Barring some miraculous invention, no nation is capable of defending itself against the ballistic hydrogen missile. Since national security can no longer be nationally guaranteed, it can only be internationally guaranteed. This suggests that real authority be gradually transferred to the U. N. At present the U. N. has no authority to act on its own. It is under the negative dictatorship of the five veto-holding powers. The veto guarantees the five permanent members of the Security Council against disciplinary action by the U. N. in case any one of them aggresses. If it were our intent, let us say, to dominate Canada as Russia dominated Czechoslovakia, then our veto would serve us in good stead by preventing action in the Security Council. But since we have no aggressive intent, our retention of this aspect of the veto only leads others to suspect we have.

The first act this country should take toward reducing international tension is voluntarily to offer to give up that superfluous part of the veto which protects our right to aggress. Having led the way, we should ask the other veto-holding powers to follow our example. For the United States the result of such a move would be all gain and little, if any, loss. It would scotch the lie of imperialism with which the Soviet Union constantly charges us. Like the Marshall plan, it would be an "open-door" arrangement, which the Soviet Union could always accept. It would not disrupt the machinery of the U. N.; on the contrary, it would tend to strengthen it. Instead of continuing to try to build the U. N. around the medieval doctrine of sovereignty, it would modernize the doctrine to fit the requirements of the atomic age. If our veto offer convinced the Soviet people that we are not such imperialists after all, they might relax those military efforts which are so largely based upon fear of us—and even be less insistent on the veto protection for themselves. Finally, such an offer by the United States would prove to the world that the United States is sincere in its desire to transform the U. N. into a competent instrument of peace.

Whether the leaders of the Kremlin matched our offer sooner, later, or not at all, a voluntary self-limitation on the veto would place the United States in a constructive light. It would give us the initiative in waging peace. As long as the Soviet Union refused to meet the offer, it would place a powerful propaganda weapon in our hands; for the rest of the world would rightly ask: "Why do the Soviets reserve their right to aggress?"

Renouncing our veto-protected right to aggress would be a suitable first step toward peace because it would have the double effect of reassuring the Soviet Union of our peaceful intent and of transferring limited authority to the U. N. in the specific field of international security.

At this point some international lawyer is bound to ask: "How can one renounce the right to aggress when there is no agreement over what constitutes an aggressive act?" The U. N. Special Committee on the Question of Defining Aggression recently concluded 2 years of study without arriving at an answer because its member nations could not agree, thereby producing the ironic spectacle of an international organization created to prevent something it is unable to define.

If there is any way to free this logjam, it is for one nation to arrive at its own definition of aggression and, having done so, to renounce all acts which it defines as aggressive. Then other nations should be invited to follow suit.

The United States is uniquely fitted to forego aggression, being without aggressive designs. As other nations subscribed to our definition the pressure on the Soviet Union to fall in line would mount. In this way the present deadlock could be broken.

Since no definition of aggression can cover every contingency, we could also volunteer to abide by a majority decision of the General Assembly on matters not covered by our definition. This offer might be made contingent upon other nations following our example. Majority rule being the essence of democracy, such an offer would simply be an elevation of our national belief to the international plane. Needless to say, the offer would not be welcomed by the Kremlin.

Such an act of self-limitation naturally would be criticized on the ground that we should keep a free hand. Why should we voluntarily bind ourselves in such a fashion without demanding a quid pro quo? Is this not a typical example of egghead diplomacy? Decidedly not. In the first place, we have virtually nothing to lose from renouncing aggression. Secondly, we have more to gain from world opinion by a voluntary act than by protracted and probably sterile negotiations with the Kremlin. Thirdly, it should remove any doubts in the minds of the neutralist Afro-Asian bloc which of the Big Two really stands for peace.

But to define aggression—like defining first-degree murder—is not enough. Both must be prevented. Crime prevention requires a police force. The third step toward assuring Russia of our peaceful intent should be to place certain contingents of our armed forces at the disposal of the U. N. in case of threatened aggression. In other words, we should offer these contingents before the outbreak of another Korean war rather than after.

When a sense of world security has been established through authorizing the U. N. to act on its own, and empowering it to enforce its action, the present proposals for atomic control, disarmament, and inspection become feasible. As international security replaces national insecurity, the Soviet Union no longer need fear armament inspection and control under U. N. supervision. And as inspection becomes acceptable, we can safely accept the Soviet demand that atomic weapons be outlawed.

Mr. HUMPHREY. Mr. President, the May 24, 1958, issue of the Nation has printed an article, which it was my privilege to write, entitled "First Step Toward Disarmament." I ask unanimous consent that the text of the article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FIRST STEP TOWARD DISARMAMENT
(By Hon. HUBERT H. HUMPHREY, of Minnesota)¹

Seven months ago the Soviet Union launched the earth's first artificial satellite. This sputnik inspired dreams throughout the world of future explorations in space; but it also cast an ominous shadow on earth, for it demonstrated the Soviet determination and ability to perfect the ICBM, a missile which could carry a nuclear warhead from one continent to another.

The shock of the Soviet launching had repercussions which were in large part beneficial and which I hope will not die out now that we too have successfully launched earth satellites. The Soviet sputniks propelled us into a reexamination of our educational systems and scientific endeavors which may re-

¹ HUBERT H. HUMPHREY, Democrat, of Minnesota, is the chairman of the Subcommittee on Disarmament of the Senate Committee on Foreign Relations.

sult in a renaissance of intellectual efforts. On the defense front, we were given ample proof that defense needs should be determined primarily by the threat rather than by the requirements of a balanced budget. To those hoping for progress toward disarmament, however, the reaction to the sputnik launching at first glance appeared unfortunate, for it gave a fresh impetus to the arms race.

Our security system at the present time is built on the ability to retaliate effectively against, and thus deter, any attack. As long as the Soviet Union chooses to increase its capacity for attack, we have no choice but to continue to strengthen ourselves militarily and plug important loopholes in our defense system.

Many have asked me whether we could seriously demand greater progress toward disarmament at the very time when we were also demanding greater progress in missiles. My answer to this is not only that we can, but that we must.

A security system based on massive strength, a balance of terror, is not satisfactory as a permanent security system. It is extremely wasteful of money, talent and energy. We cannot help but deplore the vast expenditure of funds and effort for weapons that become outdated almost as soon as they are in production and that we hope will never be used. How much better if we could use the resources for urgently needed schools, houses, hospitals, roads, libraries, laboratories, and aid to underdeveloped countries.

An even stronger objection to our deterrent policy is that it simply does not provide real security. No matter how far our rockets can travel or how many nuclear warheads we have, a terrible risk remains. If the deterrent fails, it means a nuclear war in which most of the people of this country and the Soviet Union would probably perish, and residual radiation would threaten the safety of survivors and their posterity throughout the world.

During the 7 months immediately following the sputnik's launching, disarmament negotiations were in great jeopardy. Talks within the United Nations broke down when the Soviet Union vowed it would not continue with them until the United Nations agreed to the Kremlin's version of a reconstituted Disarmament Commission. The United States and the Soviet Union each proposed negotiations at levels which were unacceptable to the other. The anxiously waiting world did not see how the cause of peace could be advanced in such an atmosphere.

The outlook for negotiations is only slightly more hopeful now, and many questions are yet to be resolved. But whatever the form, whoever the participants, there are certain qualities which the United States can demonstrate if it wishes to help create an atmosphere in which negotiations can be conducted.

One of these qualities is flexibility. When one policy has been given a reasonable trial without success, then we should search for an alternative. To maintain that a policy which was valid 5 or 6 years ago must necessarily still be valid today, is pure nonsense. Our mentalities have got to be flexible enough to adjust to evolving reality.

The adoption of a much more positive attitude by us could also improve the atmosphere. No government, least of all the Government of the United States, should be negative about the possibility of limiting the arms race. Proposals of the Soviet Union should not be lightly or impatiently brushed aside, even when they are exasperatingly rigid or unreasonable. The densest armor has chinks and it is the task of statesmanship to find them.

One of the few diplomatic victories which the United States has scored in recent months came as a result of demonstrating some flexibility and positive thinking. I

refer to our timely proposal for mutual aerial inspection of the Arctic, in response to Soviet complaints of the flights of the Strategic Air Command in the area. The Soviet veto of this proposal indicated to the people of the world that the Soviet Union is just as capable of responding negatively to disarmament proposals as is the United States.

The lack of respect for its bonded word which Moscow has shown time and again necessitates another quality on our part, prudent caution. I do not think we should become so skeptical of the Soviet record that we refuse to deal with her. Even Russia keeps some of its agreements—for instance, the peace treaty of 1947 with Finland and the Austrian Peace Treaty. The key to making effective agreements with the Kremlin is to confine them to those situations where it is to the interest of the Soviet Union, as well as to the United States and other countries, to keep the agreement. If we exercise prudent caution we will not endanger ourselves.

In regard to disarmament, prudent caution requires that we should not jeopardize our security by putting our signatures to any agreement that depends on good faith alone for its fulfillment. Adequate inspection must be provided for wherever appropriate to make discovery of violations so certain that they would not be attempted.

This does not mean that an inspection system must be absolutely perfect. I do not believe we can hope to establish a 100-percent foolproof inspection system. Among human beings, very little can be that certain. However, I believe that with respect to many arms-control measures we can establish an inspection system which would make the probability of detecting violation so great that the Soviet Union would abide by the agreement rather than risk the ignominy of being caught cheating. Moreover, we should always remember that any inspection system established in the Soviet Union would be a tremendous step toward raising the Iron Curtain. It could pave the way, not only to additional inspected disarmament measures, but also to a general opening up of the Soviet Union and to greater mutual understanding. Despite Russian assertions that inspection is really intelligence and thus proposed for purposes of spying, could there be any better political breakthrough than to conclude a first-step disarmament agreement with inspection safeguards?

Right now we should concentrate our efforts on making that first step. If we really want to base our security system on armaments control rather than on armaments alone, we must recognize that a task of such complexity cannot be achieved overnight or all at once. The most we can hope for at this time is to make a beginning. In fact, unless we concentrate on reaching agreement on a small first step, we shall make no progress at all.

For some time this country has talked of offering so-called first-step proposals. In practice, however, we have not been able to abandon our get-rich-quick dream. Instead of proposing first steps which would be feasible, we have put forward measures which, when coupled with the elaborate inspection systems necessary to assure their observance, were so far reaching as to be virtually unattainable.

For example, the Western proposal for a first-step disarmament agreement offered at the London disarmament negotiations included various nuclear-control measures, an inspection system to provide against surprise attack, a reduction of armed forces, and the transfer of some armaments to international depots, and the establishment of a committee to study ways to insure that objects sent into outer space would be used exclusively for peaceful purposes. All the measures were tied together in such a way that each proposal was contingent on acceptance of all the other proposals.

To expect the Soviet Union to accept a package such as that as a first step would be like expecting a baby to take its first step 2 days after birth. Since it would be excessively optimistic to press for agreement on our total disarmament hopes all at once, I have suggested that the package be broken up into small parcels and presented bit by bit. The support I have received for this approach from the American people is overwhelming.

One of the most meaningful measures, and one which would prove our earnest desire for disarmament, is the suspension of nuclear weapons tests, with inspection on both sides. Public opinion throughout the world favors stopping the tests in order to check the rising level of radioactive fallout in the atmosphere. Suspension of tests would also be an effective measure of arms control. It would freeze or retard nuclear-weapons development in those countries which have produced live weapons—the United States, the Soviet Union, and the United Kingdom. Since we have been assured that we are not behind in nuclear-weapons technology, a test ban should not be to our disadvantage. It would retard, and I hope prevent, the spread of nuclear-weapons production to other countries. Otherwise, the day is certain to come when these lethal devices will fall into many hands which by accident, irresponsibility, or malevolent intent, might trigger off an Armageddon.

Adequate assurance that the Soviet Union was observing a test-suspension agreement would require monitoring stations within the Soviet Union equipped with seismographs, microbarographs, and radiation-measuring and other equipment, but it would not require much intermingling of inspectors with the Soviet people, a prospect which the Soviet Government greatly fears. The closer together such stations were placed, the more certainly we could detect violations. But even with relatively few stations, I believe we could make the chances of detecting clandestine tests good enough to discourage Soviet cheating.

In view of the energy with which the Soviet Union has been calling for a separate ban on nuclear tests, we should at least call their bluff to see if they are willing to do what is necessary or if they are just spreading a propaganda hoax. The move is just as necessary now that the Soviets have announced that they are temporarily stopping weapons tests unilaterally. If the Soviets really want to bring an end to testing, they will agree to an inspection system. An opportunity to move forward may have been provided by Mr. Khrushchev's note of May 9, in which he expressed an apparent willingness to set up the joint study of inspection for a test suspension which had been proposed earlier by us.

Control of outer space is another avenue along which we can pursue disarmament. Now is the time to make sure that our new technical ability to send vehicles into outer space is dedicated to peaceful purposes alone. If we fail to bring under control weapons designed to travel through outer space, the new discoveries, instead of opening up new horizons to us on earth, may bring an end to our existence.

To keep man's differences on earth from contaminating outer space the United States, as a separate and independent project, should take the lead in marshaling the talents and resources of the world for space research and exploration under the auspices of the United Nations. The cooperative endeavor of the International Geophysical Year has laid a foundation of experience. This year should be extended until a more advanced structure can be erected, an agency similar to the International Atomic Energy Agency which promotes world cooperation on developing peaceful uses of the atom.

All nations should be invited to participate in what may be man's greatest enterprise. Our experience in setting up the International Atomic Energy Agency has demonstrated that such joint undertakings for world peace and welfare exert a magnetic force that compels even the reluctant to join. An international space research and exploration agency would absorb energies and divert resources that might otherwise be expended in military rivalry.

My second proposal in the field of outer space is that the nations of the world should unite in a priority program for an earth reconnaissance satellite. Under the supervision, guidance and control of an international organization, such a satellite could cross national borders and climb over Iron Curtains and expose to the wholesome gaze of the world military preparations of all nations. This watcher in space would make preparations for surprise attack, especially by conventional forces requiring mobilization, much more difficult. In this way developments in space could help control armaments on earth.

My third proposal is that all flights of long-range missiles and outer-space vehicles should be placed under international surveillance to insure that no clandestine tests of rockets or outer-space devices are conducted for military ends. The United Nations would be the proper body to assume responsibility for this task. Until long-range missiles have reached a state of perfection, test firings are necessary. Since the missiles rise to great heights and travel great distances, long-range radar now under development could in all probability fulfill much or all of the surveillance necessary to insure only authorized flights.

Difficulties would be compounded, however, if inauguration of an inspection system were delayed until the long-range missiles were perfected, for then multiplication of their numbers could proceed without field tests. Location and inspection of factories would then be necessary to discover illegal production, and it is uncertain whether any inspection system could detect hidden stockpiles of completed missiles.

Time is already growing short and I consider it necessary to get a program under way as soon as possible to work out the details of a control and inspection apparatus to prevent stockpiles of long-range ballistic missiles from adding to the threat that nuclear stockpiles already hold for the world. The United States should continue to pursue its proposal, thus far ignored by the Soviet Union, to create a joint study commission with the U. S. S. R. to devise machinery that can insure that no further tests of long-range missiles are conducted for weapons purposes.

It should be pointed out that any of these proposals entails risks. I feel strongly, however, that in these days the greatest risk, an immeasurable risk, lies in doing nothing—in letting the armaments race continue with no control whatever. The first step, perhaps, is the hardest, but until we take it we shall never progress toward a security system based on the control of armaments rather than the fear of armaments.

DEVELOPMENTS IN THE ECONOMY

Mr. HUMPHREY. Mr. President, last week the President, in his address before the American Management Association Economic Mobilization Conference in New York, stated:

Reports from the country strongly indicate that the economic decline is slowing down. Not all our economic troubles are over by any means. But there is a change in the making.

Is it not an amazing situation when the best news the administration can

give is that we are losing ground, but at a slower rate? It is like a fighter being told by his manager that things are looking up because he was only knocked down twice the last round compared to three knockdowns the round earlier. I do not think this would be much consolation to a wobbly legged boxer, and it is not any consolation to the Nation to be told we are going down hill—but not quite so fast.

This type of approach, as illustrated in the President's latest speech, reflects the administration's complacency to this recession. The administration has created the impression that it is unaware of the tragic worldwide implications of a long and deepening recession, and it has presented itself as having no concern over the suffering of millions of Americans faced with extended unemployment.

I maintain, Mr. President, that we cannot be contented with the recession merely bottoming out—if in fact it is bottoming out. We cannot afford to breathe easily until we have restored the economy to a position where there is a steady and tangible rate of growth. We must keep in mind the fact that when the economy is standing still we are actually losing ground, because of our expanding population and productive capacity.

The great disservice which the administration is rendering is its attempt to lull the country into a false sense of security by its assurances that the worst is over.

In this connection, I invite attention to a recent speech by Alfred Hayes, president of the New York Federal Reserve Bank, in which he warned that "we cannot look with equanimity on current levels of unemployment and production overcapacity." Mr. Hayes also stated that it is his opinion that the dangers of recession at this time outweigh the dangers of inflation.

I ask unanimous consent that this speech by Mr. Hayes, as reported in the May 23 Wall Street Journal, be printed at this point in the RECORD.

There being no objection, the matter was ordered to be printed in the RECORD, as follows:

HAYES SAYS RECESSION DANGER NOW OUTWEIGHS CURRENT INFLATION PERIL—NEW YORK RESERVE BANK HEAD DEFENDS EASY CREDIT POLICY, CALLS GOLD OUTFLOW HEALTHY

ATLANTIC CITY.—Alfred Hayes, president of the New York Federal Reserve Bank, believes the immediate dangers of recession still outweigh the immediate dangers of inflation.

Mr. Hayes told the New Jersey Bankers Association that though the Nation "may again be faced with a problem of fighting inflation after we emerge from the current recession, I think it would have been inexcusable to let this consideration prevent our doing all we reasonably could to combat the recession and to provide an atmosphere of money and credit ease conducive to recovery."

The president of the country's largest Federal Reserve bank added, "Though there are some signs the bottom of the recession may be near, we cannot look with equanimity on current levels of unemployment and production overcapacity."

Mr. Hayes said there is no sure way of telling how far the Federal Reserve System

should go in its present policy of easing credit conditions. But he observed that as a result of the System's credit-easing moves over the past 7 months, "the banks are much better disposed now than 6 months ago to seek aggressively to meet all sound demands for credit."

EFFECTS OF SYSTEM'S POLICY

Mr. Hayes said he thought monetary developments in recent months "refute pretty effectively the old allegation that monetary policy, effective though it may be in checking a boom, is helpless to combat recession." He said that as a result of the System's making bank reserves less expensive and more plentiful, the Nation's money supply in the form of demand deposits, seasonally adjusted, has been increasing at the rate of nearly \$1 billion a month since January.

Such deposits, he explained, have been expanding because the banks have taken the added reserves, made available to them by the System in successive cuts in reserve requirements, and used them mostly to step up their investments, chiefly in Government securities. Banks, he noted, have also offset the recession-related decline in business loans, with loans to securities dealers to carry increased dealer holdings of securities. Banks, as a rule, credit the proceeds of such loans and investments to the borrower's deposit accounts, thus increasing the banks' total deposits—on the basis of which it can make additional loans and investments, up to about six times the reserves.

LOANS, INVESTMENTS

Since last October, Mr. Hayes noted, total loans and investments of banks have risen \$7 billion, compared with an increase of less than \$2.5 billion in the corresponding period of 1956-57 and \$1 billion in 1955-56.

"The fact," said Mr. Hayes, "is that the banks do largely use any reserves which are made available to them to make additional loans or investments, and in so doing contribute substantially to the supply of investible funds."

"Naturally," he added, "I am not claiming that monetary policy alone can create eager borrowers nor that it can provide all the stimulus needed to pull the country out of a recession—but it can be of tremendous help and is, in fact, an indispensable element for resumption of economic growth."

Mr. Hayes, whose public views are generally regarded as reflecting prevalent Federal Reserve thinking, noted that the system has been criticized for easing money too much by people who are worried mostly about inflation, on the one hand, and for not easing fast enough to curb the recession, on the other hand.

"The first group has tended to point to the continuing increase in some price indexes, notably in the Consumer Price Index, as calling for continued restraint," he remarked. He added: "Yet I am quite clear in my own mind that during recent months the immediate dangers of recession have come to outweigh very clearly the immediate dangers of inflation, and they still outweigh them."

Turning to a discussion of the recent outflow of United States gold to foreign government purchasers, the Federal Reserve official said he regarded these purchases as a decidedly healthy sign, showing that the international gold standard is working as it should work. He added:

"Gold and dollars are, and I am sure will continue to be, interchangeable at the present fixed price. * * * It would not be in the interest of world financial stability if this country were always to gain gold at the expense of the rest of the world."

"We make a crucial contribution toward the effective operation of the international financial and monetary system by standing ready to sell our gold at the same price at which we bought it, and by thus keeping

stable the key relation between gold and the dollar."

Mr. HUMPHREY. Mr. President, another warning comes from Walter E. Hoadley, Jr., treasurer of the Armstrong Cork Co., and a noted construction industry economist, who recently predicted that the recession will last through 1960 and is more than a rolling readjustment. Mr. Hoadley said:

The greatest possible danger is a secondary shock wave later this year or early in 1959 when the good news fails to come in.

I ask unanimous consent that the May 23 Wall Street Journal article on this address by Mr. Hoadley be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ARMSTRONG CORK OFFICIAL SEES ECONOMIC SLUMP EXTENDING THROUGH 1960—HE SEES BIGGEST DANGER AS SHOCK WAVE "WHEN GOOD NEWS FAILS TO COME" IN LATE 1958, EARLY 1959

NEW YORK.—Walter E. Hoadley, Jr., treasurer of Armstrong Cork Co. and a noted construction industry economist, said the current recession will last "through 1960 and is more than a rolling readjustment."

He told the New York Society of Security Analysts that he didn't expect an upward trend in the economy to start this year. "We are not being pessimistic, but realistic. The greatest possible danger is a secondary shock wave later this year or early in 1959 when the good news fails to come in," he said.

Mr. Hoadley said "the artificial backlogs of demand caused by depression and war are gone and there is no real population and family formation boom in the near future to be expected."

He said second quarter earnings and sales of Armstrong Cork so far "indicate no deterioration from the first quarter results" but would not comment further. In the first quarter the company reported net income fell to \$2,665,000, or 50 cents a share, on sales of \$57,949,000 from \$2,865,000, or 55 cents a share, on sales of \$60,923,000 in the similar period last year.

The treasurer said about 60 percent of the company's sales are building materials, half of which go into homes and half of which are bought for repair and modernization. He said building materials sales are "being well sustained" and he expects about 1 million total new dwelling units to be started in 1958 or about the same number as in 1957. "With the arrival of spring there has been a small seasonal upturn in the building industry," he added.

Packaging, which is Armstrong's second largest market, "continues as another source of current sales' strength," Mr. Hoadley said, but industrial specialties, including automobile products "reflect the drastic curtailment in durable goods production" and sales are lower and are expected to remain depressed.

Mr. Hoadley said the product mix of the company is changing, with traditionally important products such as linoleum and felt base floor coverings and corkboard insulation declining and new plastic materials taking their place.

Mr. HUMPHREY. Mr. President, I also ask unanimous consent that an article from the Wall Street Journal of May 23, which reports that auto production this year is estimated to barely top 4 million cars, as compared to almost 6 million cars produced in 1957, be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

YEAR'S AUTO OUTPUT PUT JUST ABOVE 4 MILLION—NO LATE UPTURN SEEN—ECONOMISTS SEE UNITED STATES RETAIL SALES TOTALING 4,200,000—LOW SINCE CALENDAR 1952

DETROIT.—Auto production for the calendar year 1958 will barely top 4 million cars, according to estimates by industry statisticians for the third and fourth quarters.

Moreover, based on the present sales rate, a consensus among auto economists is that domestic retail sales will be about 4,200,000, plus approximately 275,000 foreign cars. That would be the lowest year for sales since 1952, when 4,158,000 cars were registered. In 1957, new car registrations were 5,982,000.

Taking some exception to these estimates was Henry Ford II, president of Ford Motor Co., who predicted at the Ford annual meeting yesterday that auto companies will sell 4,500,000 cars in 1958.

Economists surveyed said there are no solid signs that retail sales, currently running 29 percent behind a year ago, will increase in the final months of the year, even though 1959 models will have appeared.

They put third quarter output at slightly over 600,000 cars, based on expected earlier and longer slowdowns for model changeovers. In the third quarter last year, the industry turned out 1,302,207 cars.

More importantly, they see low initial output of the 1959 models, which they figure will probably continue through the fourth quarter. Several top industry economists, including Ford Motor Co.'s George Hitchings, estimated total output in the final quarter this year probably will approximate first-quarter 1958 output, or about 1,238,000 cars.

RATE ONE-THIRD OF 1957'S

Currently, car producers are continuing to build cars at about one-third the rate of last year. For the week ending at midnight tomorrow, an estimated 86,420 cars will be built by the industry, as against 87,407 last week. In the corresponding week a year ago, 127,428 cars rolled off assembly lines.

By week's end, the industry will have built 1,866,469 cars since the first of the year, down 32 percent from the 2,791,209 built in the corresponding period a year earlier.

Projections for third and fourth quarter auto output are causing concern among economists who have been looking to the auto industry to pace an economic comeback by the Nation. These projections also have caused alarm among workers in auto and supplier companies, who have been hit hard by short workweeks and lengthy layoffs since late last year, and had been counting on a sharp step-up in production when output of 1959 models starts.

If sales remain at their present rate—and there is no sign of an upturn—the Nation's dealers will deliver about 1,750,000 cars from May through September. New car inventories currently stand at about 790,000. Auto makers hope, through earlier and longer model changeover and by holding down production, to reduce this stockpile to 750,000 by the first of next month and to wind up the calendar year with about 450,000 cars in dealers' hands. This takes into account exports by domestic producers to foreign countries. The year began with dealers holding about 750,000 cars.

Most of the Nation's auto builders this week have scheduled short workweeks in at least some of their plants. However, assembly plants of American Motors Corp. at Kenosha and Milwaukee, Wis., and Ford's Mercury-Edsel-Lincoln division at Wixom, Mich., are scheduled to work 6 days this week. These are the only producers in the industry working more than 5 days.

All plants of General Motors Corp.'s Chevrolet division will work 5 days this week, except for its Atlanta plant, which will work 4 days, and its Los Angeles plant, which is closed for the week. The company's main Pontiac division plant at Pontiac, Mich., will work 4 days this week. The Cadillac plant at Detroit has returned to a 5-day workweek after working 4 days last week.

SEVEN GM PLANTS DOWN

Three of GM's seven Buick-Oldsmobile-Pontiac assembly plants are down for the week this week. Those plants are at Atlanta, Arlington, Tex., and South Gate, Calif.

Ford Motor Co.'s Ford division plants at Louisville and San Jose, Calif., are down for the week this week, and the assembly plant at Atlanta is closed today.

Chrysler Corp. said its DeSoto division plant will be closed for the week this week. Studebaker-Packard Corp. at South Bend, Ind., said it has scheduled 4 days this week.

General Motors also announced that 6 of its 7 Buick-Oldsmobile plants will work 4 days next week because of the Memorial Day holiday. The seventh, at Atlanta, will work 4½ days.

Weekly auto table

	This week	Last week ¹	Year ago week	To date	
				1958	1957
Chevrolet...	25,100	27,003	29,710	588,239	646,627
Ford...	20,372	18,144	30,457	426,162	668,757
Plymouth...	9,400	9,391	16,372	165,188	304,744
Oldsmobile...	5,362	7,290	7,704	151,728	193,782
Rambler...	4,550	4,559	2,201	72,356	39,583
Mercury...	4,034	3,395	6,576	55,814	150,956
Buick...	3,529	5,026	7,604	114,259	208,022
Dodge...	3,500	3,421	7,575	43,873	138,761
Pontiac...	3,200	4,420	6,724	104,179	168,813
Cadillac...	3,200	2,596	3,339	63,414	69,696
Chrysler...	1,700	123	3,157	24,313	60,498
Studebaker...	1,181	0	1,429	13,703	25,920
Lincoln...	456	449	834	13,243	20,433
DeSoto...	450	1,616	2,244	15,626	64,137
Imperial...	350	0	1,099	6,720	20,142
Packard...	35	0	20	1,360	6,039
Nash...	0	0	160	0	2,833
Hudson...	0	0	43	0	1,128
Totals ² ...	86,420	87,407	127,428	1,866,469	2,791,209

¹ Revised

² Totals include 428 Continental cars in 1957.

Mr. HUMPHREY. Mr. President, in conclusion, I note that new orders for machine tools fell in April by 56 percent from April of last year. In reporting this sharp drop the Wall Street Journal of May 23 stated:

Economists frequently look to the tool order trend as an indicator of future economic activity. A long downturn in machine-tool orders, for example, began in the fall of 1956, well before the weakening in general business activity became pronounced. Likewise, it is expected the machine-tool trade would show early signs of any pickup in the economy.

I ask unanimous consent that this Wall Street Journal article be inserted at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NEW ORDERS FOR MACHINE TOOLS TUMBLED IN APRIL—DROP FOLLOWED 4-MONTH RISE, WAS ENTIRELY IN DOMESTIC ORDERS—FOREIGN BUYING UP—BUILDERS DOUBT UPTURN SOON

CLEVELAND.—New orders for machine tools tumbled last month. They had been on an upgrade since December.

Net new bookings less cancellations in April slipped to \$22,800,000, according to the National Machine Tool Builders Association.

This figure about equaled the February total but was 23 percent below the \$29,450,000 of March and was 56 percent under the \$51,300,000 of April last year.

A slight increase in orders from abroad helped keep the April order figure from dropping even lower, the association noted. Foreign buying last month totaled \$6,450,000, which topped the \$6 million figure of March and also the \$5,600,000 total of April 1957. Trade sources credit this relatively high buying to European auto makers, whose tool orders have held at a relatively high level most of the year.

ENTIRE DROP IN DOMESTIC ORDERS

On the other hand, domestic orders accounted for the entire dropoff, declining to \$16,350,000 in April from \$23,450,000 in March.

Machine tools are basic to the production of just about all heavy metal products, ranging from household appliances to automobiles. The equipment is used to cut, grind, drill and otherwise shape the parts for these major consumer items. Since the equipment—much of which must be custom built to fit production of a specific part—takes from a few months to a year and a half to build and ship, orders must be placed well in advance of the scheduled shipment date.

Because of this long lead time between orders and shipments, requiring tool buyers to anticipate their needs well in advance, economists frequently look to the tool order trend as an indicator of future economic activity. A long downtrend in machine tool orders, for example, began in the fall of 1956, well before the weakening in general business activity became pronounced. Likewise, it is expected the machine tool trade would show early signs of any pickup in the economy.

UPTURN BEFORE FALL DOUBTED

However, few machine-tool builders look for an upturn in orders at least before fall. They say a general improvement in the business picture as well as buying from the automotive industry should improve the trend late in the year.

At least one builder, though, looks for a pickup in orders from the car makers as soon as wage talks with the AFL-CIO United Auto Workers union are concluded. Others doubt a decision to order tools for 1960 or 1961 by the big Detroit concerns would come that soon. "We hear the auto companies are going to close down for a while this summer, and if they do, they certainly won't be talking tools," says an official of another tool concern. The auto industry, of course, is of major interest to machine-tool makers. Except for Government purchases in wartime, changes in the family car have provided the industry with its biggest source of volume.

Also of concern to tool builders is a belief some auto makers are planning to rebuild older tools to adapt them to production of newly designed parts.

ORDERS THIS MONTH

For the current month, 6 of 12 concerns contacted, said orders were coming in at a pace similar to April. Of the other 6, 3 reported an increase and 3 a decline. Among the concerns reportedly placing orders in recent weeks is General Electric Co. Ralph Cordiner, GE chairman, recently predicted the company would undertake a company-wide tool replacement program.

While orders for machine tools may have passed the lowest point in the current drop, the industry's shipments could still fall a lot more. Big tool orders from the auto industry, along with some hefty Air Force buying in late 1955 and most of 1956, built up huge backlogs in most tool shops. Even now, the last of these backlogs continue to keep some of the shops far busier than the sales offices.

Tool shipments last month, despite a decline of 12 percent to \$40,350,000 from \$45,-

\$850,000 in March, were nearly double the April new order figure. These April shipments, however, were less than half the \$87,800,000 worth of tools packed off to customers in the like month a year ago.

For the first 4 months of the year, shipments totaled \$172,450,000, compared with \$331,150,000 in the first 4 months of 1957. Orders so far in 1958 have amounted to \$94,450,000, compared with \$231,650,000 a year ago. For shipments this is a decline of 48 percent; for orders, a decline of 59 percent.

Mr. HUMPHREY. Mr. President, I point out these indications of the seriousness of the recession, not because it gives me any pleasure to do so, but only because I feel we cannot deal effectively with the recession by ignoring its effects. I, along with many of my colleagues in the Senate, have been accused of being a "doom and gloomer" by bringing forth the true facts as to this recession. To this charge I say that we are only kidding ourselves if we think we can halt this recession by pretending it does not exist. In my opinion, the great disservice to the country is not being rendered by those who call attention to the economic facts of life, but rather by those who would have us wear economic blinders.

ADJOURNMENT TO MONDAY

Mr. SYMINGTON. Mr. President, pursuant to the order previously entered, I move that the Senate adjourn until 12 o'clock noon on Monday next.

The motion was agreed to; and (at 4 o'clock and 22 minutes p. m.) the Senate adjourned, the adjournment being, under the order previously entered, until Monday, June 2, 1958, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate May 29 (legislative day of May 28), 1958:

Robert E. McLaughlin, of the District of Columbia, to be a Commissioner of the District of Columbia for a term of 3 years and until his successor is appointed and qualified. (Reappointment.)

Thomas M. Healy, of Georgia, to be a member of the Railroad Retirement Board for the term of 5 years from August 29, 1958. (Reappointment.)

IN THE AIR FORCE

The following named officers for promotion in the Regular Air Force under the provisions of sections 8298 and 8299, title 10, United States Code. All officers are subject to physical examination required by law.

MAJOR TO LIEUTENANT COLONEL

Line of the Air Force

Stiles, Myrl D., 21374W.
White, Frances L., 21251W.
Connor, Miles A., 32850A.
Hammond, Fred B., Jr., 19774A.
Birnbaum, Myron L., 20018A.
Higgins, Fred J., 20019A.
Dickson, Donald C., Jr., 21430A.
Green, John O., 24260A.
Berry, Cooley C., 20020A.
Yandala, Gust J., 19775A.
Magee, Fabrian L., 32851A.
Spence, Harry B., 32852A.
Smith, Russell L., 32853A.
Quinn, William W., 32854A.
Bechtel, Paul S., 32855A.
Schirmer, Robert F., 32856A.
Michels, Robert W., 19783A.
Everett, June, 21376W.

Kiegel, Albert C., 6731A.
Jacobs, Herbert M., 6736A.
Howe, Everitt W., 6854A.
Dockstader, Daniel B., 6856A.
Barker, William H., 6943A.
Hackett, James E., 7082A.
Thompson, Alden G., 7126A.
Bergman, Harold O., 7137A.
Buck, Arthur W., 7168A.
Harris, Jesse L., 7178A.
Armstrong, George H., 2124A.
Ryan, Paul T., 7222A.
Stutzman, Robert G., 7347A.
Thomas, Frank L., 7509A.
McCoy, Paul L., 7538A.
Cannon, John H., Jr., 7582A.
Williams, James M., 8046A.
Anderson, Leonard W., 8138A.
Dilly, Vincent S., 8163A.
Byers, Edward F., 8223A.
Lupear, Cornell J., 8224A.
Thelsen, Emmett J., 8225A.
Gilbert, Raymond A., 8226A.
Miller, Eugene F., 8227A.
Taylor, Richard W., 8228A.
Loughry, Robert J., 8229A.
Yon, Pershing L., 8230A.
Howes, Francis B., Jr., 8231A.
Schaal, William R., 8232A.
Selden, Littleton C., 8233A.
Thompson, Dan F., 8234A.
Hoermann, Francis J., 8235A.
Brodie, George F., Jr., 8236A.
Taylor, Robert H., 8237A.
Kaufman, Alfred, 8238A.
Black, William M., 8239A.
Wobbe, Roger L., 8240A.
Steakley, Ralph D., 8241A.
Fears, James W., 8242A.
Whitmire, James M., Jr., 8243A.
Smith, Edward D., 8244A.
Svore, Ferdinand L., 8246A.
Wray, Cletus, 8248A.
Kurz, Albert A., 8249A.
Hatch, Lewis M., 8251A.
Alois, Frank J., 8252A.
Boles, Homer C., 8253A.
Roberts, Sam A., 8254A.
Nixon, Robert L., 8255A.
Nestor, Vergil N., 8256A.
Neil, Charles V., 8258A.
Smith, Elmer F., 8259A.
Tyler, Joe M., 8260A.
Larrick, Percie J., 8261A.
Rogers, Herbert J., 8262A.
Wiehrdt, Leonard I., 8265A.
Mackay, Neill, C., 8266A.
Aubrey, Carl L., 8267A.
Peck, Fred R., Jr., 8268A.
McRaven, Claude C., 8269A.
Relfe, Robert W., 8271A.
Bridges, Dewey R., 8274A.
Johnson, Paul E., Jr., 8275A.
Beall, J. Mac, 8276A.
Papania, Ralph, Jr., 8277A.
Sorte, Martin E., 8278A.
Ewing, Donald W., 8279A.
Payne, Carl G., 8280A.
Newland, Martin K., 8281A.
Martin, Lloyd J., 8282A.
Twichell, Wallace B., Jr., 8284A.
Mansfield, Richard M., 8285A.
Tanberg, Lawrence F., 8286A.
Edwards, Wilbur H., 8289A.
Smith, Derwood K., 8290A.
Whitehorn, Kenneth W., 8291A.
Westfall, William B., 8292A.
Andreas, Andreas A., 8293A.
Sanders, Harry G., 8294A.
Ducoite, Marc M., Jr., 8295A.
Silliman, Clifford R., 8296A.
Rankin, Warner F., Jr., 8297A.
Childress, Raymond K., 8298A.
Burns, Harold W., 8299A.
Parker, Julian W., 8300A.
Fischer, Henry A., Jr., 8301A.
Yarbrough, Walter R., 8302A.
Benner, John G., 8303A.
Morris, Robert C., Jr., 8304A.
Robertson, Philip O., 8306A.
Frazier, Edwin B., 8307A.

McGuire, Troy B., 8310A.
 Johnston, George H., 8311A.
 Daunt, John J., Jr., 8312A.
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 Schultz, Kenneth W., 9096A.
 Anderson, Milton A., 9097A.
 O'Connor, Squire T., 9098A.
 Everest, Frank K., Jr., 9100A.
 Carlson, Robert E., 9101A.
 Greffet, Charles V., 9102A.
 King, James W., 9103A.
 Buckey, James H., 9105A.
 Nolan, John A., 9106A.
 Bennett, Robert L., 9107A.
 Toland, Butler B., Jr., 9108A.
 Pedone, Vito S., 9109A.
 Whitfield, Joe M., 9110A.
 Meyers, Charles R., Jr., 9112A.
 Hardzog, Walter A., Jr., 9114A.
 Quirk, Michael J., 9115A.
 Keller, Robert W., 9116A.
 Sipes, William C., Jr., 9117A.
 Ryan, Lloyd M., 9118A.
 Bradshaw, Marion A., 9119A.
 Smith, Claude W., 9120A.
 Mikolowski, Edward, 9121A.
 Ellis, Joseph W., 9122A.
 Young, Hugh D., 9125A.
 Kolstad, Robert F., 9127A.
 Milburn, Walter B., Jr., 9128A.
 Horne, Claude G., 9131A.
 Kellis, James G. L., 9132A.
 Woodruff, Harold D., 9133A.
 Wright, Fred P., Jr., 9153A.
 Manbeck, Lester E., 9136A.
 Neill, Dennis V., 9137A.
 Alba, Carmelo V., 9138A.
 Gaynos, Nicolaus, 9139A.
 Schulte, Orville J., 9140A.
 Williams, George P., 9141A.
 Barton, James R., 9142A.
 Marschner, Bernard W., 9143A.
 Tiernan, Thomas J., 9144A.
 Sawyer, Charles W., 9146A.
 Stay, Jesse E., 9148A.
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 Ramsey, Robert L., 9151A.
 Satterwhite, Albert W., 9152A.
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 Kohnert, Harold A., 9154A.
 Harris, Louis E., 9156A.
 Timbers, George T., 9157A.
 Schlie, Walter, 9158A.
 Price, Weston H., 9160A.
 Rosebush, Kenneth E., 9161A.
 Howe, Charles W., 9162A.
 Peterson, Marshall R., Jr., 9163A.
 Personous, Lester, Jr., 9164A.
 Adams, Orville G., 9165A.
 Morris, Frederick E., Jr., 9166A.
 Gaston, Allen B., 9170A.
 Kremer, Emil A., 9171A.
 Walker, Hal T., 9172A.
 Cameron, William R., 9173A.
 Beck, Richard W., 9174A.
 Bennett, Thomas W., Jr., 9175A.
 Hillstrom, Carl M., 9176A.
 Kreidler, Howard E., 9177A.
 Baker, Charles C., 9178A.
 McElhanon, William E., 9182A.

Stahl, Horst A., 9183A.
 Crispin, Marshall F., 9185A.
 VanDeever, Lawrence E., 9186A.
 Dacus, John H., 9187A.
 Bedford, John P., 9188A.
 Kimball, Clarke C., 9189A.
 Bench, Herbert G., 9190A.
 Cassada, Randall C., 9191A.
 Clendenin, Robert A., 9192A.
 Hines, Wilfred E., 9193A.
 Holland, Chaz M., 9194A.
 Collier, Ben F., 9195A.
 Gunn, James H., 9196A.
 Stehling, Henry J., 9197A.
 Layhee, Harold F., 9198A.
 Elling, Milfred O., 9200A.
 McNally, Lawrence M., 9201A.
 Black, Walter E., Jr., 9202A.
 Stallings, Gordon K., 9203A.
 Crabtree, Jean E., 9204A.
 Olsen, Sumner M., 9205A.
 Hanson, Robert W., 9206A.
 Culp, Merle H., 9207A.
 Sevier, Coy T., 9209A.
 Haller, Roscoe R., 9210A.
 Sarosy, John A., 9211A.
 Carlson, Elmer G., 9212A.
 Bartol, Dominic A., Jr., 9214A.
 Abdallah, William P., 9215A.
 Isaacson, Clayton M., 9216A.
 Prickett, Donald I., 9217A.
 Strait, William V., Jr., 9218A.
 Henny, Max W., 9219A.
 Walker, Lewis H., 9220A.
 Dienz, John E., 9221A.
 Rash, John F., 9223A.
 Maggart, Robert E., 9224A.
 Kaufmann, Leonard J., Jr., 9225A.
 Bradburn, Gordon F., 9226A.
 Bacalis, Paul N., 9227A.
 Workman, Jack B., 9228A.
 Frank, Donald H., 9229A.
 Phillips, John E., 9230A.
 Adduci, Vincent J., 9231A.
 Keller, John C., Jr., 9232A.
 Wigger, William F., 9233A.
 Morganti, Clyde J., 9234A.
 Simler, George B., 4th, 9236A.
 Wiseman, Lee V., 9237A.
 Simpson, Thomas S., 9238A.
 Weeks, James B., 9239A.
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 Watson, George H., 9241A.
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 Molander, Stanley V., 9243A.
 Hill, William C., 9244A.
 Carrigan, Thomas M., 9247A.
 Smith, James M., 9248A.
 Younkin, Leland A., 9249A.
 Byerley, Howard L., 9251A.
 Roche, Jean R., 9252A.
 Blake, Lynn T., Jr., 9253A.
 Munson, Charles B., 9254A.
 Buel, Joseph G., 9255A.
 McReynolds, Zachariah A., 9256A.
 Vivian, Lawrence, 9257A.
 Shinner, John W., 9258A.
 Balchunas, George A., 9259A.
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 Schweiger, Walter J., Jr., 9261A.
 Zink, Harry J., 9262A.
 Perkins, Lytle R., 9263A.
 Adams, George M., 9264A.
 Erben, James B., 9265A.
 Spencer, Charles F., 9266A.
 Arcuri, Michael J., 9267A.
 Neal, John R., 9268A.
 Mirock, George C., 9269A.
 Godley, Lawrence E., 9270A.
 Nichols, Willard A., 9271A.
 Agan, Charles K., 9272A.
 Tarbet, Dale F., 9273A.
 Past, Sheldon J., 9274A.
 Mecke, Harold J., 9275A.
 Bolt, Jones E., 9276A.
 Cox, Richard G., 9277A.
 Robinson, Lillian T., 9281W.
 Weniger, Robert L., Jr., 9278A.
 Noel, William H., 9280A.
 Clocksin, Albert J., 9281A.
 Cole, Louis B., 9282A.

Bruce, Robert E., 9283A.
 Johnston, Robert R., 9284A.
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 Kane, Harold E., 9286A.
 Kerr, Kenneth J., 9287A.
 Green, Norman E., 9288A.
 Peck, George S., 9289A.
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 Iverson, Richard J., 9292A.
 Andre, Louis E., Jr., 9293A.
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 Nollkamper, James L., 9295A.
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 Bergum, Lester N., 9297A.
 Lowell, Marlan E., 9298A.
 Hannah, George L., Jr., 9300A.
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 Thompson, Shirley B., 9302A.
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 Austin, Orlo L., 9308A.
 Oglesby, Herbert W., 9309A.
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 Byers, Vic L., Jr., 9311A.
 Behrens, Elton A., 9312A.
 English, Peter F., 9313A.
 Sweeney, James E., 9315A.
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 Cronin, William R., 9317A.
 Keene, John H., 9319A.
 Smutko, Leonard S., 9320A.
 Dennis, Harry S., Jr., 9321A.
 Jackson, Arthur C., Jr., 9323A.
 Wilms, Gene C., 9324A.
 Krause, George J., 9327A.
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 Collins, Frank J., 9330A.
 Green, Paul D., 9331A.
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 Norton, Carl R., 9334A.
 Gutierrez, Joseph S., 9335A.
 Lumley, Jack T., 9336A.
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 May, Lowell E., 9338A.
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 Bridget, Henry B., 9350A.
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 Manda, Francis S., 9355A.
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 Foster, James W., 9385A.
 Merkel, Ellsworth L., 9387A.
 Kinard, Clinton R., 9388A.
 Klam, Louis B., 9389A.
 Sporn, Martin, 9390A.
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 Nichols, William C., 9392A.
 Hunter, James D., 9393A.

Boyd, Howard T., 9394A.
 Mara, Thomas D., 9395A.
 Gourley, Harold H., 9397A.
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 Owen, James C., 9399A.
 Roughton, Aurelian E., Jr., 9400A.
 Lynn, Roland R., 9401A.
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 McKee, Ralph D., 9404A.
 Embrey, Ralph C., 9405A.
 Pratt, Leonard E., 9406A.
 Mistrot, Joseph F., 9407A.
 Bounds, John E., 9408A.
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 Fitzsimmons, Robert J., 9420A.
 Brueland, Lowell K., 9422A.
 Long, Maurice G., 9423A.
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 Buer, Glendon J., 9428A.
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 Amos, Robert F., 9432A.
 Bogard, Wayne C., 9433A.
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 Sittman, William L., 9437A.
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 Fellenbaum, William R., 9440A.
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 Hochstetter, Herman E., 9447A.
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 Brock, John W., 9450A.
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 Crahan, James E., 9452A.
 Erickson, Earl M., 9453A.
 Brosnan, Cornelius G., 9454A.
 Deder, Joseph E., 9455A.
 Popek, Edward S., 94556A.
 Klette, Immanuel J., 9457A.
 Bahlr, George P., 9458A.
 Bray, Clifton L., 9460A.
 Solem, Herman S., 9461A.
 Fulmer, Harold G., 9462A.
 Thompson, John K., 9463A.
 Russell, Harold G., 9464A.
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 McAdams, William B., 9467A.
 Green, Louis A., 9468A.
 Simcoe, Desider A., Jr., 9469A.
 Fly, Hugh G., Jr., 9470A.
 Davis, Joseph F., 9471A.
 Hughes, Maurice L., 9472A.
 Vivian, Jerrold M., 9473A.
 Ballew, John M., 9474A.
 McLachlan, Joseph J., 9475A.
 Anderson, Bryant Y., 9476A.
 Miller, Jean B., Jr., 9477A.
 Zeine, Merle M., 9478A.
 Mourer, Lester C., 9479A.
 Orr, George A., 9480A.
 Tarbutton, Jean D., 9481A.
 Hnatio, Myron M., 9482A.
 Rowland, Thomas J., Jr., 9484A.
 Chilstrom, Kenneth O., 9485A.
 Brinson, Robert F., 9486A.
 Fischer, Jerome J., 9488A.
 Orwat, Norman S., 9489A.
 Compton, Gordon B., 9490A.
 Stubbs, Gail L., 9491A.
 Rose, Ralph J., 9494A.
 Rickert, Walter K., 9495A.
 Tilley, Reade F., 9496A.
 Chatterley, Archie W., 9497A.
 Anderson, John F., 9498A.
 Lyon, Aubrey G., 9499A.
 Gunn, Raymond D., 9501A.

Warns, Thomas F., 9502A.
 Pickett, Joe W., 9503A.
 Triantafellu, Rockly, 9504A.
 Meek, Arthur M., 9505A.
 Gray, Jay O., 9506A.
 Marsh, Robert A., 9507A.
 McIntyre, Clarence E., 9509A.
 Davis, Thomas A., 9510A.
 Lyman, Lawrence R., 9511A.
 Ayres, Langdon F., 9512A.
 Yandoh, Thomas R., 9513A.
 Whitt, James A., 9514A.
 Eade, George J., 9515A.
 Petty, Morris E., 9516A.
 Koval, Andrew E., 9517A.
 Ashley, Clower F., 9518A.
 Carter, William P., 9519A.
 Svenvold, Harold R., 9520A.
 Kraus, Glenn R., 9521A.
 Wilson, Robert A. H., 9523A.
 Henslee, Lem P., 9524A.
 Reber, Carl J., 9526A.
 Atkins, John H., Jr., 9527A.
 Clark, Thomas M., 9528A.
 Sharpe, Carl L., 9529A.
 Scanlan, Joseph W., 18067A.
 Ellison, Lawrence A., 9531A.
 Froman, Howard W., 9532A.
 Payne, Kenneth J., 9533A.
 McCoskrie, Roland K., 9534A.
 Rogers, Glenn E., 9535A.
 Conques, Lawrence, 9536A.
 Helmantoler, Willis L., 9537A.
 Adams, Peter P., 9538A.
 Chatfield, Stanley E., 9539A.
 Reichardt, Leslie L., 9542A.
 Oppen, Clifford R., 9545A.
 Adamson, Norman F., 9546A.
 Williamson, Samuel S., Jr., 9547A.
 Meroney, Virgil K., 9548A.
 Childress, Hubert M., 9550A.
 Schwellenback, Thomas W., 9551A.
 Hoover, John R., 9552A.
 Newby, Richard E., 9553A.
 Hofmann, Thomas C., 9554A.
 Ramsauer, Robert T., 9556A.
 Paukert, Robert S., 9557A.
 Williams, David M., 9558A.
 Albritton, Jesse T., 9559A.
 Rife, Raymond S., 9560A.
 Middlekauff, Darwin C., 9562A.
 Schuster, Robert C., 9563A.
 Smith, William E., 9564A.
 Slater, Herschel H., 9566A.
 Wentz, Paul N., 9567A.
 Giblin, Richard T., 9568A.
 Personett, Thomas A., 9569A.
 Harker, Chester V., 9571A.
 Herway, Loren W., 9573A.
 King, Benjamin H., 9574A.
 Harris, Shelby J., 9575A.
 Mitchell, John T., 9576A.
 Baugh, Howard L., 9577A.
 Emmert, Benjamin H., Jr., 9578A.
 Bland, Edward C., 9579A.
 Haydon, Edward R., 9580A.
 Taylor, Edward H., 9582A.
 Brenner, George P., Jr., 9583A.
 Donovan, Joseph N., 9584A.
 Fldrock, Alfred V., 9585A.
 Ferris, Lester R., Jr., 9586A.
 Hilton, James B., 9587A.
 Fenlon, James W., 9588A.
 Willey, Clifford A., 9589A.
 Broadus, Donald A., 9590A.
 Miller, Charles L., 9591A.
 Fricks, Robert O., 9592A.
 Jones, William T., 9593A.
 Wormington, Jack E., 9594A.
 Dwyer, Harry R., 9595A.
 Strode, Ross D., 9597A.
 Broyles, Enoch E., 9598A.
 Hale, Blair, 9599A.
 Clifford, Robert R., 9600A.
 Zell, Lucian T., 2d, 9601A.
 Rochez, Louis A., 3d, 9602A.
 Doyle, Thomas F., Jr., 9603A.
 Belser, Joseph H., 9604A.
 Butterfield, William H., 9605A.
 Sands, Warren H., 9606A.
 Shirey, Clair L., 9607A.

King, Edward C., Jr., 9609A.
 Potebnya, Orr Y., 9610A.
 Kelly, Clyde R., 9613A.
 Anderson, Arthur W., 9615A.
 Duncan, George H., 9616A.
 Bundgaard, Robert C., 9617A.
 Godfrey, Stephen M., 9618A.
 Lucich, Stanley, 9619A.
 Pournaras, Stephen W., 9620A.
 Fischer, Irvin A., 9621A.
 Bonnot, Carlos D., 9622A.
 Brown, Dean B., 9624A.
 Brown, Gerald, 9625A.
 Winter, William F., 9626A.
 Warfield, Allen, Jr., 9628A.
 Martin, Urban W., 9629A.
 Kimsey, James W., 9630A.
 Hart, Fred L., 9632A.
 Potter, Thomas K., Jr., 9633A.
 Jarratt, Jerry D., 9634A.
 McKee, Jack E., 9635A.
 Best, William M., 9636A.
 Seal, Earl D., 9637A.
 Walsh, David I., 9638A.
 Clark, Charles H., 9639A.
 McDonald, William G., 9640A.
 Gross, Richard R., 9642A.
 Schenkein, George, 9643A.
 Ewbank, William L., 9644A.
 Atwater, William E., 9646A.
 Miller, Earl C., 9647A.
 Hale, William S., 9648A.
 Steinhauer, Raleigh F., 9649A.
 Wisniewski, Raymond F., 9650A.
 Kissick, Luther C., Jr., 9651A.
 Sims, Harold H., 9653A.
 Yeater, James W., 9654A.
 Larkin, Robert T., 9655A.
 Flavin, Kenneth A., 9656A.
 Carroll, Robert W., 9657A.
 Patton, Phil M., 9658A.
 Harwell, James A., Jr., 9661A.
 Saunders, Patrick H., 9662A.
 Thompson, Harry J., 9663A.
 Duch, Walter F., 9664A.
 Berube, Paul G., 9665A.
 Peters, Gilbert A., 9666A.
 Haywood, Floyd H., Jr., 9667A.
 McRae, Roland L., 9668A.
 Andres, Joseph E., 9669A.
 Griffin, Edmund D., Jr., 9670A.
 Slusser, Hayden C., 9671A.
 Waltz, Robert W., 9672A.
 Hawkins, Steedly P., 9674A.
 Gonye, Leonard F., 9676A.
 Bass, Earl J., 9677A.
 Williams, Charles W., 9679A.
 Kiser, Ralph W., 9680A.
 Conklin, Joseph E., 9681A.
 Sloan, William A., Jr., 9682A.
 O'Hara, Robert C., 9684A.
 Keithley, George J., 9686A.
 Cooper, Theodore L., 9687A.
 Trask, John A., 9688A.
 Aaron, Thomas R., 9689A.
 Johns, Howard G., 9690A.
 Powell, Sherrill L., Jr., 9692A.
 Graves, Needham W., 9693A.
 Leaf, Charles C., 9694A.
 Kilgore, Bishop M., 9695A.
 Henington, Henry M., 9696A.
 Koehler, Leonard F., 9697A.
 Boatman, Beryl L., 9699A.
 Crane, Russell D., 9700A.
 Arakelian, Edward J., 9701A.
 Wilson, Jean S., 21291W.
 Wilson, Harry A., 9702A.
 Weiser, Gus, 9703A.
 August, Jack W., 9704A.
 Taylor, Robert A., 9705A.
 Brauer, William H., 9706A.

Medical Corps

Watkins, Philip B., 19245A.
 Nareff, Max J., 29805A.
 Seaman, Oliver R., 19242A.
 Bellnoski, William O., Jr., 29471A.
 Marett, William C., 19287A.
 Lau, Robert E., 19246A.
 Splegel, Frederick S., 21842A.
 Bradley, William G., 23052A.

Tarrow, Arthur B., 19244A.
 Yerg, Raymond A., 24192A.
 Streck, Fletcher W., 19283A.
 Veatch, Charles A., 26349A.
 Hart, William W., 26351A.

Dental Corps

Morgan, Bernard B., 18910A.
 Krause, Lyndon S., 20522A.
 Jakob, Robert H., 20832A.
 Ketcham, Frank H., 21685A.
 Book, William H., 22395A.
 Hewson, John M., 21594A.
 Miller, William A. C., Jr., 21845A.
 Zuber, Jack M., 18911A.
 Bienvenu, Patrick X., 18956A.
 Hase, Robert R., 23163A.
 Zukowski, Alphonse A., 21593A.
 Michalik, Walter J., 20007A.
 Poor, Willard H., 21728A.

Veterinary Corps

English, Burt W., 19000A.
 Rushmore, Rowland W., 19001A.
 Beckcom, Edwin A., Jr., 19005A.
 Gorman, Harry A., 19007A.
 Kadets, Martin, 19008A.
 Snider, Charles H., 19009A.
 Couch, J. B., 21601A.

Medical Service Corps

Parker, James F., 19445A.
 Criswell, Thomas F., Jr., 19446A.
 Herbert, Woodrow C., 19574A.
 Umphress, Donald L., 19449A.
 Brunnemann, Auben W., 19450A.
 Sutton, Allan D., 19462A.

Nurse Corps

Kowaleski, S. Margaret, 20911W.
 Darden, Elizabeth A., 20925W.
 Hall, Sara C., 20985W.
 Norred, Annice E., 21928W.
 McKenzie, Margaret E., 21933W.
 Berendsen, Dorothy M., 21941W.
 Jahr, Rhoda U., 20905W.
 Montgomery, Alice L., 20980W.
 Young, Eunice F., 20929W.
 Deason, Bernice Y., 20951W.
 Hoadley, Mary E., 21924W.
 Benston, Martha L., 20920W.
 Pierce, Miriam R., 21034W.
 Kovach, Ethel R., 21110W.
 Nereson, Myrtle N., 22006W.
 Upshaw, Esther L., 20924W.
 Bendetti, Rose M., 21929W.

Medical Specialist Corps

Horr, Frances M., 21195W.

Chaplain

Flowers, Elijah V., 18779A.
 Brown, Ormonde S., 18784A.
 Andrew, Joseph D., 18785A.
 Rex, Wendell F., 18786A.
 Kessler, John N., 18789A.
 Goodhand, Vernon M., 18792A.
 Wills, Charles F., 18796A.

SECOND LIEUTENANT TO FIRST LIEUTENANT

Line of the Air Force

Patton, Orin C., 31528A.
 Tuthill, Daniel A., 47815A.
 Vaughan, Daniel G., 47808A.
 Patrick, John R., 47814A.
 Thompson, Leland L., Jr., 47818A.
 Hilton, Richard D., 47821A.
 St. Jean, Frederick J., 47816A.
 McCurdy, Thomas P., 47822A.
 Thornton, Leonard F., 47817A.
 Lee, James D., 47812A.
 Jones, Harold D., 47826A.
 Martin, Jimmy G., 47829A.
 Merrill, Charles D., 47833A.
 Hughes, Vincent C., Jr., 47835A.
 Wise, Boyd E., 47836A.
 Norman, Warren E., 47837A.
 Wilson, Dick E., 47838A.
 Staehli, Alfred M., 47847A.
 Krueger, Richard W., 47858A.
 Webre, Eugene J., 47848A.
 Fitton, Crosley J., Jr., 47853A.
 Somerder, Herbert E., 47854A.

Bellinger, Richard A., 47843A.
 Rigby, William G., 47851A.
 Parrish, John A., Jr., 47852A.
 Tomaskovic, Thomas M., 47846A.
 Smith, Douglass W., 47869A.
 Shively, Stanley F., Jr., 47867A.
 Jordan, Wayne E., 47870A.
 Hector, Perry G., 47871A.
 Story, Conrad L., 47874A.
 Conway, Richard P., 47873A.
 LaFond, Roger A., 47877A.
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 North, Ronald M., 47879A.
 Fallows, Thomas E., 47883A.
 Gillespie, Claude M., 47882A.
 Treu, Gaylord B., 47885A.
 Toft, Donald L., 47887A.
 Spegal, Donn A., 47884A.
 Richards, Donald C., 47895A.
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 Larsen, Richard N., 47894A.
 Mellerski, Robert A., 47897A.
 Muskat, Michael S., 28071A.
 Waddill, Robert G., 47902A.
 Griffith, Tedd N., 47901A.
 Haskins, Gale L., 28073A.
 Burris, Marvin E., 28072A.
 O'Donnell, Francis B., Jr., 29585A.
 Jandt, Robert A., 31863A.
 Guinn, Gregor S., 31862A.
 Deloache, Kelly L., 47920A.
 Lamb, Henry A., 47915A.
 Milam, F. I. E., 47911A.
 Cahill, Harley R., 47919A.
 McGee, Joseph W., 47910A.
 Tolbert, William T., 47913A.
 Peterson, Arthur A., 47916A.
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 Lanning, Robert G., 47923A.
 Burns, Lindo L., 31864A.
 Shircliff, Thomas A., 47926A.
 Kingsley, Rubert H., Jr., 31865A.
 Cannon, Mervyn M., 31866A.
 Whiteside, Jack H., 31867A.
 Velde, Lee D., 47927A.
 Haffner, Richard W., 31868A.
 Pitts, Richard E., 47929A.
 Burkett, Walter M., 31869A.
 Ostrominski, John, 47932A.
 Baker, Ward J., 47934A.
 Rutkowski, Phillip T., 28074A.
 Houde, Frank L., 47935A.
 Wareman, William A., 31870A.
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 Lofton, Theo G., 47950A.
 Fagan, Willis F., 47943A.
 Ham, Ronald L., 47944A.
 MacQueen, George F., 47945A.
 Haney, William F., Jr., 47941A.
 Greene, Taylor H., 47940A.
 Riddlinghafer, Billy R., 47946A.
 Strait, Ernest D., 47953A.
 Tucker, Gordon L., 28076A.
 Valle, Manuel D., 31873A.
 Coupland, William R., 31874A.
 Tucker, Sidney L., 47957A.
 King, Robert R., 31875A.
 Gustafson, Charles J., 31877A.
 Maratos, Stanley G., 47961A.
 Dean, Ernest S., Jr., 47959A.
 Hall, Donald J., 47965A.
 Tuttle, William C., 47969A.
 Simon, Paul J., 47964A.
 Rhodes, Robert N., 47962A.
 Smith, James A., 47963A.
 Atkinson, Gary D., 28077A.
 Bartlett, Reid, Jr., 31878A.
 Robertson, O. D., 47972A.
 Langford, Walter M., 47973A.
 Peterson, Donald C., 47971A.
 Lindemeyer, Edgar J., 47974A.
 Waldman, James H., 28078A.
 Wilde, James E., 28079A.
 Davis, Richard, 47977A.
 Cunningham, Charles J., Jr., 31879A.
 Nichols, David L., 31880A.

Silverstein, Jack, 48001A.
 Soherr, Paul E., 47988A.
 Tuttle, Robert R., 47979A.
 McIlvaine, Francis J., 47985A.
 Cates, Charles W., 47978A.
 Tadlock, Carlos E., Jr., 47999A.
 Founds, Boyd E., 47988A.
 Weber, Alban L., 47990A.
 Reidy, Thomas P., 47997A.
 Kolling, James L., 47984A.
 Bennett, Robert E., 47995A.
 Sanders, Robert W., 47891A.
 Blanton, Harvey B., Jr., 28080A.
 Grewell, Dean R., Jr., 31882A.
 Edwards, Harry N., 31881A.
 Olson, Arthur W., II, 48004A.
 Davis, Walter R., 28081A.
 Masoner, Thayer E., 28082A.
 Blair, William D., 28083A.
 DeCarlo, Anthony J., 31884A.
 Fuller, Benjamin R., III, 31883A.
 Robidoux, Joseph E., 48010A.
 Milliken, Gordon J., 48007A.
 Poor, William B., 48005A.
 Shook, Tom M., 31885A.
 Silder, Joseph H., 31886A.
 Buckley, Sims A., 48012A.
 Fleshman, Roger F., 48013A.
 Hanson, Stanley C., 48015A.
 Krim, John W., 48016A.
 Hime, James L., 28977A.
 Hess, Robert C., 31895A.
 Hogue, Herbert R., 31889A.
 Bartman, Gilbert, 31887A.
 Keith, Patrick, 31890A.
 Yancy, Raymond C., 31894A.
 Trudell, Alfred A., 31893A.
 McHugh, Joseph A., 31891A.
 Nou, Juri V., 31892A.
 Brander, Albert, 48019A.
 Perdue, Jacque M., 48027A.
 Roell, Roger V., 48028A.
 Freedman, Bernard, 48022A.
 Lorch, John H. V., 48018A.
 Smart, Edmund P., 48031A.
 Noyd, Dale E., 28084A.
 Dederick, Donald L., 48033A.
 Jones, Robert D., Jr., 28085A.
 Coyle, Francis S., III, 31897A.
 Curtis, Lewis G., 31896A.
 Craven, William E., 48039A.
 Nunenkamp, Max T., 48038A.
 Will, Kenneth J., 28086A.
 Griggs, Phillip D., 28087A.
 Sutton, Robert L., 28088A.
 Kunz, Richard E., 28089A.
 Miller, Gerald S., 48046A.
 Thompson, Robert L., 48053A.
 Vogler, Frederick J., 48052A.
 Lindholm, John A., 48049A.
 Latta, James P., 48048A.
 Schorsch, Rudolf H., 31898A.
 Lee, Donald V. H., 48055A.
 Wheeler, Terrence G., 48056A.
 McCoy, Lelian D., 28090A.
 Wirth, Peter C., 28091A.
 Anderson, Richard E., 31901A.
 Claiborn, Edward L., 48058A.
 Tripp, Harold D., 48061A.
 Johnston, Robert L., 48060A.
 Lamb, George H., 48059A.
 White, Leslie W., 28092A.
 Paschal, Richard B., 31902A.
 Beardsley, Clarence J., 48062A.
 Pyle, George T., 48067A.
 Kroese, Coe J., Jr., 48066A.
 Kishline, Samuel J., 48065A.
 Harrison, John W., 48063A.
 Roberts, Albert J., Jr., 48077A.
 Nelson, Oscar W., Jr., 48076A.
 Morris, Jack K., 48075A.
 Evans, David W., 48068A.
 Letto, Augustine R., 48069A.
 Cornwell, William T., Jr., 48071A.
 Mullenex, John T., 31903A.
 Trolinger, Donald C., 48081A.
 Rendahl, Neil J., 48082A.
 O'Neal, Bob H., 48083A.
 Gunther, William J., 28093A.
 Poore, James W., 48004A.

Cleveland, Frederick H., 31904A.
 Carrier, Stephen C., 31905A.
 Gandy, Ray P., 28094A.
 Miller, Ralf M., 31851A.
 Bedke, Ernest A., 48086A.
 King, Cliff A., Jr., 31906A.
 Smith, Murray L., 48088A.
 Wagner, Paul E., 48090A.
 Lewis, John C., III, 48091A.
 Gregory, Carl R., 48092A.
 Underwood, David B., 48089A.
 Bergstrom, Terry J., 28096A.
 Connolly, Vincent J., 48094A.
 Plowman, Charles E., 48093A.
 Walker, Rees D., 48097A.
 Mullenger, Robert W., 48099A.
 Dosky, Raymond C., 48103A.
 White, George A., 48104A.
 Lamkin, John J., 48107A.
 Franscini, Lucien S., III, 28097A.
 Cushing, Stanley R., 48116A.
 Obzut, Nicholas P., 48114A.
 Avila, George C., Jr., 48112A.
 Traband, George P., Jr., 48121A.
 Price, Norris E., 48117A.
 Lester, William C., Jr., 48120A.
 Stroup, Walter E., 48118A.
 Kuwamoto, Melvin M., 48109A.
 Prescott, Richard E., 28098A.
 Headley, Lanny J., 28100A.
 Knapp, Byron H., III, 28102A.
 Minier, Evan R., 28099A.
 Cline, Joseph P., 28101A.
 McBride, Roger T., 48123A.
 Hopkins, Thomas C., 48124A.
 Mayer, Marvin D., 48130A.
 Shields, Richard A., 48131A.
 Foster, Dick L., 48129A.
 Kujawa, Walter A., 48132A.
 Smith, Carl R., 28105A.
 Rudolph, Hans W., Jr., 28104A.
 Zuker, Alan L., 28103A.
 Equi, Dino P., 48135A.
 Passi, Henry R., 48134A.
 Workmon, Edward E., 48137A.
 Hause, Richard G., 28108A.
 Sackschewsky, Donald M., 28109A.
 Hahn, Jack, 28107A.
 Schaefer, Ronald T., 48142A.
 Tingley, Ronald D., 48143A.
 Groves, Fergus C., Jr., 48141A.
 Williams, Sherman P., 28110A.
 Leigh, Gerald G., 48144A.
 Wolford, Leland, 29541A.
 Orenstein, Stephen M., 29540A.
 Sheringo, William, 29691A.
 Schlichter, Robert N., 29690A.
 Hawkins, Jerry P., 48145A.
 Haynie, John M., 48147A.
 Scott, Franklin S., 28111A.
 Shaw, David H., 48148A.
 Krueger, James H., 48151A.
 Tourangeau, Clifton E., 48153A.
 Rosenlof, Kenneth D., 28112A.
 Aukerman, Donald T., 29542A.
 Pitstick, William F., 29543A.
 Sloth, Sven E., 29544A.
 Hall, George F., 48154A.
 Von Gohren, Edward V., 28113A.
 Fry, Clifford F., 28115A.
 Dwyer, Neil B., 28114A.
 Cook, Peter G., 28117A.
 Manns, Ralph E., Jr., 28116A.
 Rezac, Robert J., 29550A.
 Murray, James D., Jr., 29547A.
 Russell, Robert S., 29551A.
 Pankey, Harold E., 29552A.
 Dutcher, William W., 29545A.
 Rogers, Albert G., 29548A.
 Garove, Eugene, 29546A.
 Lillibridge, Jackson L., 29692A.
 Thomas, Virgil D., 29549A.
 Ushkow, Elliott A., 48167A.
 Brandon, Francis E., Jr., 48169A.
 Farnham, Neil J., 48168A.
 Prewitt, George P., 48171A.
 O'Connor, Harold W., 48166A.
 Caine, Philip D., 28118A.
 Gray, Michael, 28119A.
 Gendron, Roger J., 28120A.
 Griffin, William C., 48173A.

Suver, James D., 29538A.
 Knauss, Russell N., 48176A.
 Clark, James R., 48175A.
 Larrabee, Edward R., 48177A.
 Shiver, Robert A., 31907A.
 Vance, David R., 48180A.
 Tindall, Ira F., 48181A.
 Dickens, Freddie D., 29554A.
 Wiles, Donald A., 29556A.
 Ward, Robert B., 29555A.
 Aamodt, Clark E., 29553A.
 Powers, John, 48182A.
 Lodge, William G. S., 29560A.
 Dyer, Richard E., 29558A.
 Bowen, Richard A., 29557A.
 Thomas, Wayne H., 29559A.
 Bergstrom, James W., 29693A.
 Koon, David P., 48191A.
 Cozine, John E., Jr., 48186A.
 Pratt, John C., 48188A.
 Steele, Gail P., 48189A.
 Story, Albert G., 48190A.
 Amsler, Gordon M., 48185A.
 Boyer, Gary L., 48192A.

Medical Service Corps

DeStefano, Peter, 32503A.
 McCambridge, John J., 28095A.
 (NOTE.—Dates of rank of all officers nominated for promotion will be determined by the Secretary of the Air Force.)

POSTMASTERS

The following-named persons to be postmasters:

ALABAMA

William E. Kerby, Leighton, Ala., in place of G. C. Spangler, retired.
 Thomas E. Fischer, Plantersville, Ala., in place of S. K. Martin, retired.
 John Y. Metzger, Point Clear, Ala., in place of B. A. Brodbeck, retired.

ARIZONA

Pearl J. Guthrie, Ash Fork, Ariz., in place of W. L. Conger, resigned.
 David H. Hill, Hereford, Ariz., in place of C. M. Isaacson, resigned.

ARKANSAS

Cline C. Pile, Charleston, Ark., in place of C. W. Spiller, retired.
 Velma L. May, Washington, Ark., in place of Elizabeth Horton, retired.

CALIFORNIA

Inez Alma Rice, Bryn Mawr, Calif., in place of D. O. Rice, retired.
 Wayne J. Cummins, Hornbrook, Calif., in place of H. H. Chapman, retired.
 Edward G. Garza, Janesville, Calif., in place of F. E. Martin, retired.
 Cleatis A. Bookout, Mendota, Calif., in place of M. J. Smoot, retired.

COLORADO

Darrell G. Arnold, La Veta, Colo., in place of E. A. Stansbury, resigned.

CONNECTICUT

Bryce S. Reymers, Falls Village, Conn., in place of M. M. J. Murray, retired.
 Edward D. Loomis, Guilford, Conn., in place of L. W. Harrison, resigned.

FLORIDA

Harlow John Schutt, Boynton Beach, Fla., in place of E. S. Pierce, retired.
 James F. Rylant, Fernandina Beach, Fla., in place of Louis Goldstein, retired.
 Eugene M. Dunlap, Miami, Fla., in place of S. R. Valliere, deceased.
 Katherine E. Ragsdale, Pierce, Fla., in place of G. C. Bryan, retired.
 William H. Bowes, St. Petersburg, Fla., in place of L. A. Riden, retired.
 Harriett R. Miller, San Mateo, Fla., in place of H. C. Bailey, retired.
 Clarence C. Christilles, Seville, Fla., in place of M. O. Causey, retired.

GEORGIA

Frances K. Cowan, Ellenwood, Ga., in place of J. A. Clark, retired.

Gussie M. S. Owen, Gordon, Ga., in place of F. S. English, retired.
 James Lawrence Hunt, Perry, Ga., in place of O. A. King, retired.
 Luke R. Warren, Tennille, Ga., in place of R. D. Smith, retired.
 Frederick R. Peterson, Vidalia, Ga., in place of S. D. Williams, retired.

ILLINOIS

Raymond D. Hixon, Claremont, Ill., in place of D. L. Doan, removed.
 Marion E. Lang, Creston, Ill., in place of D. C. Bailey, resigned.
 Leroy T. Hopkins, Roodhouse, Ill., in place of F. E. Battershell, retired.
 Albert J. Rule, Thornton, Ill., in place of W. H. McColly, removed.
 Charles E. Higgins, Vandalia, Ill., in place of C. H. Green, retired.

INDIANA

Kenneth H. Cook, Kewanna, Ind., in place of Joe Crabill, resigned.
 Franklin E. Dark, Kingman, Ind., in place of M. L. Cory, retired.
 Albert Lee Bennett, New Lisbon, Ind., in place of Floyd Leakey, retired.

KANSAS

Benjamin H. Schulz, Jr., Hunter, Kans., in place of R. K. Baird, deceased.

KENTUCKY

James M. Lane, Gravel Switch, Ky., in place of R. O. Harmon, retired.

LOUISIANA

John H. Sharp, Eros, La., in place of V. M. Canady, retired.

MARYLAND

William F. Laukaitis, Baltimore, Md., in place of N. A. Sibley, retired.
 William L. Boteler, Buckeystown, Md., in place of E. K. Grimes, retired.
 Dudley J. Rickwood, East New Market, Md., in place of E. M. Walls, removed.

MASSACHUSETTS

Annberta L. Terry, Brookfield, Mass., in place of J. J. Durkin, deceased.
 Henry A. Kane, Hanson, Mass., in place of W. J. Farley, deceased.
 Charles L. Sullivan, Norfolk, Mass., in place of L. H. Chase, retired.

MICHIGAN

James H. Dorsey, Empire, Mich., in place of A. M. Roen, retired.
 Urho J. Koski, Houghton, Mich., in place of J. C. Healy, removed.
 Barbara J. Leach, McBrides, Mich., in place of H. H. Miel, retired.
 Byard G. Raeburn, Sault Sainte Marie, Mich., in place of M. A. Ripley, retired.

MINNESOTA

John Butkiewicz, Kettle River, Minn., in place of F. S. Ronkainen, deceased.
 Lowell O. Sovde, Oklee, Minn., in place of Henry Falardeau, retired.
 Robert Schweinefus, Ostrander, Minn., in place of F. W. Hill, retired.

MISSISSIPPI

Dura I. Lowrey, Robinsonville, Miss., in place of M. B. Gray, retired.
 Austin H. Russell, University, Miss., in place of C. E. Morgan, deceased.

MISSOURI

Jeffrey P. Hillelson, Kansas City, Mo., in place of A. F. Sachs, retired.

MONTANA

Leonard E. Eriksen, Hungry Horse, Mont., in place of H. D. Howell, resigned.
 Norman J. LaFriniere, Thompson Falls, Mont., in place of A. J. Dorris, retired.

NEBRASKA

Clarence R. Jeffrey, Allen, Nebr., in place of F. J. Clough, retired.

NEW JERSEY

Evelyn T. McGill, Alpine, N. J., in place of V. M. Burkhardt, resigned.
 Alvah R. Bilsard, Kearny, N. J., in place of F. A. Brown, deceased.
 William N. Clegg, Wayne, N. J. Office established September 22, 1957.

NEW MEXICO

Margarito Arellano, Springer, N. Mex., in place of I. C. Floersheim, retired.

NEW YORK

John J. Murphy, Au Sable Forks, N. Y., in place of T. A. O'Neill, retired.
 Clark B. Lord, Bemus Point, N. Y., in place of F. R. Ward, resigned.
 Theodore James Kilmeier, Brentwood, N. Y., in place of K. H. Gallagher, retired.
 Beulah I. Giess, Colon, N. Y., in place of A. T. Guyer, declined.
 Hilda D. Maynard, Hartford, N. Y., in place of G. L. Brayton, deceased.
 Lewis A. Ward, Lawyersville, N. Y., in place of C. D. Zeh, deceased.
 Edwin Earl Jones, Lisbon, N. Y., in place of F. S. Murphy, retired.
 Homer E. Houghtaling, Masonville, N. Y., in place of J. L. Peck, resigned.
 Elton F. Van Deventer, Palmyra, N. Y., in place of R. C. McCarthy, retired.
 Gladys E. Van Haneghem, Walworth, N. Y., in place of G. L. Naber, resigned.
 Howard J. Bloodgood, Jr., West Nyack, N. Y., in place of C. F. Partridge, resigned.
 Gerald R. Davis, Woodhull, N. Y., in place of W. J. Reynolds, retired.
 Genevieve W. Kavanaugh, Woodville, N. Y., in place of Glenn Potts, retired.

NORTH CAROLINA

Lewis N. Cooper, Cameron, N. C., in place of N. B. McDonald, transferred.
 Raymond H. Hoots, Edneyville, N. C., in place of J. W. Nesbitt, retired.
 Sion Chester Rogers, Elizabethtown, N. C., in place of J. K. Clark, retired.
 Maude T. Brown, Hillsboro, N. C., in place of T. E. Bivins, resigned.
 Norman J. Hutton, Polkton, N. C., in place of M. T. Ledbetter, retired.

NORTH DAKOTA

Wayne R. Bergan, McHenry, N. Dak., in place of E. N. Swanson, transferred.

OHIO

Richard M. Lauber, Archbold, Ohio, in place of Theodore Buehrer, retired.
 Horace M. Barrett, Bainbridge, Ohio, in place of F. C. Stultz, retired.
 Joseph Harry Andrus, East Palestine, Ohio, in place of P. C. Schmidt, removed.
 George Schneider, Gahanna, Ohio, in place of G. M. Price, deceased.
 Robert E. Nelson, Greensburg, Ohio, in place of G. W. Garman, retired.
 Eldon G. Roswurm, Huron, Ohio, in place of V. E. Campbell, retired.
 Ruth E. Stanforth, Martinsville, Ohio, in place of J. W. King, resigned.
 Harry H. Deardorff, Uniontown, Ohio, in place of Carl Palmer, deceased.
 Charles V. Lashley, Wellington, Ohio, in place of W. H. Sutliff, retired.
 John A. Fodor, Westlake, Ohio, in place of E. J. Brause, retired.

OKLAHOMA

George L. Holloway, Stuart, Okla., in place of R. L. Nunn, transferred.
 George L. Lockard, Jr., Tuskahoma, Okla., in place of A. H. Lockard, retired.
 Loran D. Rhodes, Webbers Falls, Okla., in place of M. D. Harmon, retired.

PENNSYLVANIA

Carl E. Sheldon, Bradford, Pa., in place of F. J. Denman, retired.
 William F. Murphy, Jacobus, Pa., in place of D. L. Darr, resigned.
 Pauline R. Witmer, Lampeter, Pa., in place of E. R. Witmer, retired.

Raymond R. Orben, Milford, Pa., in place of G. G. Drake, retired.
 Harold R. Sampsell, Millmont, Pa., in place of C. R. Graham, deceased.
 Olin W. Rogers, Montrose, Pa., in place of J. E. O'Brien, removed.
 Walter E. Spangler, Wellsville, Pa., in place of S. M. Zeigler, retired.

SOUTH CAROLINA

Joe H. Giltner, Jr., Chester, S. C., in place of C. C. Wilkes, retired.
 Margaret H. Rountree, Elko, S. C., in place of I. K. Youngblood, retired.
 Joseph S. Thomas, Jefferson, S. C., in place of H. P. DuBose, retired.
 Robert Morris Clayton, Laurens, S. C., in place of M. J. Simpson, retired.

SOUTH DAKOTA

Gerda M. Likhness, Langford, S. Dak., in place of A. E. Healy, retired.
 Agnes K. Pivny, New Underwood, S. Dak., in place of A. C. Liggett, resigned.

TENNESSEE

Marvin H. Reaves, Dyersburg, Tenn., in place of R. R. Jones, transferred.
 Harold T. Hammonree, Greenback, Tenn., in place of R. G. McCollum, retired.
 Betty Greer Goddard, Louisville, Tenn., in place of S. L. Graves, transferred.
 Carroll R. Booker, Luttrell, Tenn., in place of J. C. Davis, retired.
 Johnnie V. Braswell, Smyrna, Tenn., in place of N. E. Coleman, retired.
 Charles G. McCustion, Spring City, Tenn., in place of R. B. Gibson, transferred.
 Thomas R. Carothers, Wartrace, Tenn., in place of A. S. Shriver, retired.

TEXAS

Oscar Dwain Carr, Big Lake, Tex., in place of G. T. Edens, retired.
 John A. Stavely, Fluvanna, Tex., in place of J. M. Sims, resigned.
 Charles M. Martinson, Jr., Jasper, Tex., in place of H. R. Hancock, transferred.
 Bill R. Reeves, McLean, Tex., in place of J. R. Back, removed.
 Wade M. Slough, Odessa, Tex., in place of W. T. Henderson, retired.
 Hugh Clifford Ryan, Pasadena, Tex., in place of C. T. Coolidge, retired.
 L. Genevieve McGilvray, Sheffield, Tex., in place of G. M. Mills, resigned.

UTAH

Frank B. Gear, Eureka, Utah, in place of C. W. Bauer, transferred.
 Frances R. White, La Sal, Utah, in place of Charles Redd, retired.

VERMONT

Esther L. Sweatt, Craftsbury Common, Vt., in place of B. W. Farrar, retired.
 Robert K. Jones, Warren, Vt., in place of H. C. LaMorder, deceased.

VIRGINIA

Claude A. Helsley, Maurertown, Va., in place of Roy Hockman, retired.
 Herbert S. Jones, Middletown, Va., in place of W. F. Shipe, retired.
 Thomas E. Lonergan, Orange, Va., in place of J. M. McIntosh, deceased.

WASHINGTON

William Bizyack, Cle Elum, Wash., in place of Wayne Ballard, retired.
 Edward P. Fitzgerald, Kitsap, Wash., in place of A. E. Pickrell, deceased.

WEST VIRGINIA

Ralph R. Thompson, Fort Ashby, W. Va., in place of M. S. Walker, retired.
 Serreda M. Banks, Seth, W. Va., in place of Grace Watkins, resigned.

WISCONSIN

Shirleigh L. Collins, Melrose, Wis., in place of E. D. Young, resigned.
 Charles J. Neuenfeldt, Spencer, Wis., in place of D. B. Prehn, transferred.

HOUSE OF REPRESENTATIVES

THURSDAY, MAY 29, 1958

The House met at 12 o'clock noon, and was called to order by the Speaker pro tempore, Mr. ALBERT.

The SPEAKER pro tempore. The Chair lays before the House the following communication from the Speaker:

MAY 29, 1958.

I hereby designate the Honorable CARL ALBERT to act as Speaker pro tempore today.
SAM RAYBURN,
Speaker of the House of Representatives.

PRAYER

The Chaplain, Rev. Bernard Braskamp, D. D., offered the following prayer:

I Samuel 12:22: *It hath pleased the Lord to make you His people.*

Eternal God, our Father and Friend, our Companion and Counselor, humbly we invoke the blessings of Thy grace as we assemble in this Chamber to engage in the business of statecraft.

We earnestly beseech Thee that Thy spirit may come nearer to us than we have ever known and reveal Thy truth more clearly than we have ever seen.

Penitently we confess that again and again we try to silence the persuasions and promptings of Thy spirit, hardening our hearts against those divine demands which we know are imperative and righteous.

Inspire us with a faith that is vital and victorious and endue us with insight to see and courage to obey Thy holy will.

In Christ's name we offer our petition. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. McGown, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 12065. An act to provide for temporary additional unemployment compensation, and for other purposes.

The message also announced that the Senate had passed a joint resolution of the following title, in which the concurrence of the House is requested:

S. J. Res. 171. Joint resolution to amend section 217 of the National Housing Act.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 11767) entitled "An act making appropriations for the Department of Agriculture and Farm Credit Administration for the fiscal year ending June 30, 1959, and for other purposes."

The message also announced that the Senate agrees to the amendments of the House to Senate amendments numbered 8 and 17 to the above-entitled bill.

CEREMONIES FOR UNKNOWN VETERANS OF WORLD WAR II AND KOREA

Mr. HALEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, and to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HALEY. Mr. Speaker, I read in the Washington Daily News of Wednesday, May 28, 1958, an item which is quite disturbing to me and which will be very distressing to our colleagues here in the House. The article follows:

MOTHERS AND WIDOWS DENIED TICKETS

Military and veterans officials have had the unhappy task all week of turning down pleas from mothers and wives of men missing in action for tickets to the Memorial Day ceremonies for the unknown warriors of World War II and Korea.

About 3,000 tickets to the Memorial Amphitheater at Arlington National Cemetery have been distributed, most of them to veterans organizations, Congressmen, members of the Supreme Court, the diplomatic corps, and high administration officials.

Some 200 tickets went to Medal of Honor holders here for the Friday ceremony.

Col. Waldron E. Leonard, District of Columbia veterans' adviser, said his office had received "hundreds of calls from mothers all over the country."

I am sure that the officials who have the responsibility of this important task have done the best they could under the circumstances. I offer no criticism to any of them.

However, I do make this plea to my colleagues: If you have tickets which are not being used, please contact the veteran's adviser mentioned heretofore to see if we cannot alleviate this most unfortunate situation.

I talked with Colonel Leonard this morning and I turned over to him all of the tickets which were made available to my office. Colonel Leonard has contacted the Gold Star Mothers of the District of Columbia. The president of that great organization has advised that any tickets we make available to them through Colonel Leonard will be distributed to the widows and mothers of our missing warriors who are now our Unknowns.

Mr. CANFIELD. Mr. Speaker, will the gentleman yield?

Mr. HALEY. I yield.

Mr. CANFIELD. May I say to my distinguished friend and colleague from Florida that two tickets for these services were requested by constituents of mine en route to Washington. They were supplied but when I heard that Gold Star mothers had been unable to get a sufficient quantity, I reached my people who agreed the tickets should be returned to the Pentagon. This was done with the understanding they would be given to these mothers. At the same time, the Pentagon explained that it had been in touch with the Gold Star Mothers organization and veterans groups in the first instance and had been most anxious to be as cooperative as possible.

COMMITTEE ON PUBLIC WORKS

Mr. EDMONDSON. Mr. Speaker, I ask unanimous consent that the Committee on Public Works may have until midnight tonight to file a report on the bill H. R. 3778.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

THE LITTLE MAN PAYS

Mr. HIESTAND. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. HIESTAND. Mr. Speaker, just who will pay for the great "bold-spending" projects so ardently advocated by the Democratic leadership of the other body?

The money is not in the Treasury. We cannot raise the already burdensome taxes and we have not enough votes to cut expenditures that much. Where is the money coming from? Just one way.

This demanded 10 or 20 billion dollars worth of projects must come from deficit spending, which means inflation.

And who pays for inflation and its resultant increased cost of living? The housewife, the little man, the pensioner, and the fixed income people.

Where do they pay for it? At the grocery store and other retail store cash registers in their cost of living. Many of these people do not pay income taxes, but they are the ones who will have to pay for these gigantic and supercolossal projects and they are the ones that can afford it the least.

Let me repeat—the little man, the lower income bracket who are the most numerous will pay for these great new proposed projects, and they will pay for them in their cost of living—the most vicious form of invisible taxation.

That is another reason for opposing these big projects.

UNKNOWN DEAD OF WORLD WAR II AND THE KOREAN CONFLICT

Mr. PRICE. Mr. Speaker, I ask for unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. PRICE. Mr. Speaker, like most Members of Congress, I made my private pilgrimage today to the rotunda under the great dome of the Capitol where the two Unknowns of World War II and the Korean conflict lie in state before their final interment on Memorial Day in the National Cemetery in Arlington.

In the two caskets rest all that was mortal of two Americans who gave their lives and even their identities to keep their country free.

They are the symbols, forevermore to be honored in the eternal watch before

their crypts, of America's youth sent forth to battle against forces hostile to all that we hold dear.

It was a long time ago that I sponsored the first piece of legislation, in September 1945, that set in motion the process that brought these Unknowns here where the Congress could pay tribute to them in the place where once lay the casket of Abraham Lincoln.

Nearly 13 years—and the solemn ceremonies for the Unknown of World War II should have been completed on Memorial Day of 1951. But that was a year of another grim conflict. It was not until 1956 that my second bill, to honor the Unknown of the Korean struggle, became law, and not until this week that the two Unknowns came home together.

I thought as I gazed at these honored dead, flanked by their ceremonial guard in the dim recesses under the Capitol's dome, that they had made a long, long journey.

We owe them our debt of gratitude, and that we shall pay through the unceasing sentry-guard in Arlington through all the generations that our country lives.

But, whatever the tributes of ceremony and majestic solemnity, the ultimate debt must be paid from the hearts of the living. The consciousness of what they gave for all of us will dwell most richly in the minds of those who comprehend, each in his own time, the full challenge of freedom, the true meaning of our country.

We cannot be really sure, I thought, that the swords will be beaten into plowshares, though most fervently we pray that the ancient curse of war shall pass away. But from the example of our honored dead, from these Unknowns whose remains are the symbols of all that our youth gave to us, we may gain high boldness of mind and spirit in whatever trial the years may bring.

The light in the Capitol's rotunda was shot through on this day of dedication with shafts of sunlight.

GIVE PEOPLE THE OPPORTUNITY TO VOTE FOR PEACE OR WAR BY REFERENDUM

Mr. FINO. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection?

Mr. FINO. Mr. Speaker, tomorrow, May 30, Memorial Day services will be held throughout this Nation in memory of our fallen comrades who shed their blood for us in the cause of freedom.

And yet, while we dedicate this day as a day of memories, we stand aghast at the prospect of a possible destructive war between the United States and the Soviet Union. Whatever the circumstances, whatever the motives leading to such a war, the results would be the certain annihilation of millions of human beings, the desolation and desecration,

the scorching and the atomic poisoning of—at the very least—our own beloved land and the land of the Soviet people.

It is up to every thinking citizen, to every Member of the Congress, to every responsible official of our Government to give top priority to exploring all means, to promoting any measure that might offer hope of averting such a holocaust.

Mr. Speaker, the desire of peoples everywhere for peace has been demonstrated again and again. Everywhere, in the United States and in the Soviet Union, the people know that war can only bring death, to themselves, and to their children, and to the very land itself. And yet, every day the atomic armaments pile up, tensions mount, and the world seems to drift ever closer into a state in which any brief flame of controversy may spark the atomic explosion.

If the people of our two countries, the United States and the Soviet Union, were allowed to make a direct decision on any supreme issue of war and peace, none can doubt what the outcome would be.

Mr. Speaker, the process of deciding itself would allow for a cooling-off period in which momentarily aroused passions could be allowed to die down and reason could be allowed to prevail. By advocating a policy of direct referendum of the people on such issues the United States could demonstrate its faith in the essential sanity of man and in the democratic process. It would have everything to gain and nothing to lose in such an endeavor.

Mr. Speaker, I am therefore offering today a resolution for the consideration of the House requesting the President to propose to the Soviet Union that before either of our two countries take military action beyond our borders, outside the context of the United Nations, that the Soviet and American people be given the opportunity to vote on the issues involved. I am sure, if this opportunity were given, there would be no wars between our two countries.

SAGINAW'S BOOTSTRAP OPERATION

Mr. BENTLEY. Mr. Speaker, I ask unanimous consent to address the House for 1 minute and to revise and extend my remarks.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection?

Mr. BENTLEY. Mr. Speaker, I would like to take this opportunity to tell the membership of the House of the efforts of the people of Saginaw, Mich., in combating our recession. First, I would like to very briefly describe the city of Saginaw. It is a community of 100,000 people and is located approximately 100 miles north of Detroit. Saginaw's principal industry is the production of automotive parts to feed the production lines of Flint and Detroit. Our present recession has hit hardest in Michigan and particularly in the automobile industry. Saginaw has suffered considerable unemployment along with the rest of Michigan.

The leaders of Saginaw determined that the best way to combat the recession

was to restore the faith of the buying public. They adopted the slogan "Saginaw sales make jobs," and embarked on a citywide sales campaign. The campaign includes all retail business in Saginaw rather than only the automobile dealers, as is the case with the sales campaigns in most other cities. Saginaw's response to the campaign has more than justified the faith of its leaders. All segments of the community came forth to assist and participate. Sales meetings and parades have been held and the retailers have offered special bargains.

The results of this communitywide campaign have been amazing. A survey of retail sales for the 4 weeks beginning April 18, 1958, when the campaign started, show an increase of 31 percent over the previous 4 weeks. Automobile sales for the first month of the campaign have jumped 200 percent in the city of Saginaw, where 409 new cars and 528 used cars were sold from April 18 to May 13. These figures are certainly encouraging. However, the most gratifying result of the campaign has been its effect on the employment picture in Saginaw. During the first 2 weeks of the drive, requests for employees by employers increased by 10 percent, according to the Michigan Employment Security Commission. From April 15 to May 15 unemployment decreased by 400, and the commission reports that since May 15 an additional 400 workers have been recalled by Saginaw employers. This is certainly a material improvement in the employment picture in Saginaw, and most of the improvement can be traced directly to Saginaw sales campaign. The Pysher Heating Co., of Saginaw, presents a splendid example of the drive's effect on a small business. Before the campaign started, Pysher employed only 3 people; as a result of the increased sales since April 18, Pysher has added 5 persons to its payroll. Saginaw's bootstrap operation has removed the gloom of recession from the city and has resulted in a truly encouraging improvement in the employment picture. The idea has spread to other communities in Michigan and throughout the country. Mr. Robert Albert, manager of the Saginaw Chamber of Commerce, has received 25 inquiries from other communities who want to follow Saginaw's splendid example. I certainly hope that the cities of our Nation will show the same faith and resourcefulness that the citizens of Saginaw have shown. A nationwide movement of this same grassroots confidence in our American system will bring this recession to a speedy end. I salute the people of Saginaw for their faith and urge others to follow the example.

THE LATE LT. GEN. ALEXANDER M. TUTTILL

Mr. RHODES. Mr. Speaker, I ask unanimous consent to address the House for 1 minute, to revise and extend my remarks, and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arizona?

There was no objection?

Mr. RHODES of Arizona. Mr. Speaker, on May 25 the State of Arizona was shocked by the death of one of its most outstanding citizens. Lt. Gen. Alexander M. Tuthill was a pioneer, a soldier, and a statesman. He came to Arizona first to be employed as a medical doctor in Morenci. He was a member of the convention which drafted the constitution of the State of Arizona. He was a member of the Arizona National Guard for years and served during World War I as division commander in France. He was the father of the Arizona National Guard. Although he was not of an age to serve in World War II, the work which he had done to train the Arizona National Guard was the foundation of the organization of one of the very famous regiments of World War II, the 158th Infantry, the Bushmasters.

The State regrets his passing, and I personally am at a loss for words because of the personal loss which I feel. I served in the Arizona National Guard under this great man. He was one of my very best friends. I send my most sincere regrets and sympathies to his family which survives him.

General Order No. 1, issued by the Military Department, State of Arizona, May 26, 1958, reads as follows:

MILITARY DEPARTMENT,
STATE OF ARIZONA,
Phoenix, Ariz., May 26, 1958.

GENERAL ORDERS NO. 1: DEATH OF LT. GEN. ALEXANDER M. TUTHILL, FORMER ADJUTANT GENERAL, STATE OF ARIZONA

1. The death of Lt. Gen. Alexander MacKenzie Tuthill, Arizona military leader, surgeon, and statesman; former commanding general, 45th Infantry Division, and former adjutant general of the State of Arizona, is announced with deep regret. He died at the Veterans' Administration Hospital, Phoenix, Ariz., on May 25, 1958.

2. General Tuthill was a member of the Arizona constitutional convention which convened to frame the basic law of the State of Arizona in 1910, 2 years prior to admission of Arizona as a State. For more than 54 years he served the people of Arizona as a distinguished physician and surgeon, retiring from active practice in 1952.

3. General Tuthill assumed leadership in the National Guard of Arizona at a most critical time in 1903, soon after the Spanish-American War, and rose from the outstanding captaincy of a cavalry troop at Morenci to the rank of lieutenant general, National Guard of Arizona, retired. With decisive leadership and high military standards he laid the foundation for the policies under which the troops of the National Guard of Arizona trained in peacetime and rendered distinguished service in World War I, World War II, and the Korean conflict. His unswerving adherence to sound principles and high standards, devotion to duty, and untiring efforts, won him the love and admiration of his associates and an enviable reputation in the military profession.

4. Lt. Gen. Alexander M. Tuthill was born at South Lebanon, N. Y., September 22, 1871. He graduated from high school in Los Angeles, Calif., in 1890, and from the Medical College of the University of Southern California, with the degree of doctor of medicine, in 1895.

5. The military service of General Tuthill was as follows:

Private, Troop D, California National Guard from November 2, 1897, to September 30, 1898.

Captain, 2d Troop of Cavalry, National Guard of Arizona, Morenci, Ariz., July 16, 1903, to August 4, 1910.

Colonel, Infantry, commanding officer, 1st Arizona Infantry, August 5, 1910, to August 4, 1917. Entered active Federal service, Mexican border service, May 9, 1916. (1st Arizona Infantry redesignated as 158th Infantry, August 3, 1917.)

Brigadier general, commanding 79th Infantry Brigade, 40th Infantry Division, August 5, 1917, to April 10, 1919. (Remained in active Federal service, World War I, to April 10, 1919. Served at Camp Kearny, Calif., and in AEF, France.)

Brigadier general of the line, commanding general, 89th Infantry Brigade, 45th Infantry Division, December 1, 1928, to September 14, 1933. (National Guard brigade comprising regiments from Arizona and Colorado.)

Major general of the line, commanding general, 45th Infantry Division (Arizona, Colorado, New Mexico, and Oklahoma), September 15, 1933, to September 22, 1935. Federal recognition terminated by reason of having reached age 64.

Appointed major general of the line, National Guard of Arizona, for life, September 22, 1935.

Major general, the Adjutant General of Arizona, February 4, 1936, to June 25, 1952. Appointed lieutenant general, National Guard of Arizona, retired list, August 16, 1952.

Major general, Arizona State Director of Selective Service, October 18, 1940, to August 15, 1952. Lieutenant general, August 16, 1952, to date of death, May 25, 1958.

6. General Tuthill was appointed State Director and Coordinator of Civilian Defense in June 1942, and served in that capacity during World War II. He again served as State Director of Civil Defense from July 1950, to June 1951.

7. Already a doctor of medicine, he was honored by his State with the honorary degree of doctor of laws by the University of Arizona at commencement in 1952.

8. Decorations, awards: Awarded Arizona's only existing Medal of Honor, 1935; awarded 10- and 20-year service medals, State of Arizona; awarded Medal for Merit by the State of Colorado, 1935; awarded Medal for Merit by the President of the United States, 1947; and awarded Medal for Merit by the State of California, 1950.

9. General Tuthill has long distinguished himself by his example as a great soldier, physician, and citizen. His self-sacrificing zeal for the public welfare has won the heartfelt appreciation and gratitude of the people of Arizona. Professionally, as a surgeon, he was recognized for more than 54 years as one of Arizona's finest. He was a true patriot and his zeal in the leadership of the National Guard won stature for himself and for the National Guard of Arizona in training, performance, administration, and facilities, which has won our organizations national fame.

10. The officers and men of the National Guard of Arizona mourn his passing as the loss of a dear leader, friend, and ardent supporter. The heartfelt sympathy of this headquarters, the entire National Guard of Arizona, and the thousands of veterans who served under his leadership is extended to his bereaved family.

11. The body of Lt. Gen. Alexander M. Tuthill will lie in state in the rotunda of the Capitol of the State of Arizona from 1000 hours to noon, May 28, 1958, and funeral services will be conducted at Trinity Episcopal Cathedral at 1230 hours, May 28, 1958. Interment will be in Greenwood Memorial Park, Phoenix, Ariz.

12. As a remark of respect to the memory of General Tuthill all flags flown over the State headquarters, State arsenal, and all State armories and airbases will be displayed at half staff on the day of the funeral, May 28, 1958, from sunrise until 1400 hours. By order of Governor McFarland:

FRANK E. FRASER,
Major General, National Guard of
Arizona, The Adjutant General.

JUDICIARY AND RULES COMMITTEES REPORT BILL TO CLARIFY MALLORY CASE: CONGRESSIONAL APPROVAL IMPERATIVE

Mr. CRAMER. Mr. Speaker, I ask unanimous consent to extend my remarks at this point in the Record.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. CRAMER. Mr. Speaker, the Judiciary Committee on May 27, 1958, reported favorably on H. R. 11477, identical to H. R. 11467 which was introduced by me as minority member of the special subcommittee established by the Judiciary Committee of the House to study the recent rulings of the Supreme Court.

This bill was the result of lengthy hearings and great deliberation by both the subcommittee and the full Committee on the Judiciary. The proposals contained therein were made after thorough and exhaustive hearings and study by the committee members. I feel that this bill is one vitally essential to the proper conduct of law enforcement officers providing full protection to the rights of the individual and society in an effort to overcome a decision on the law by the Supreme Court that has hampered and defeated apprehension of criminals and their conviction under conditions that do not in any way condone duress.

Testifying before the Rules Committee of the House today, and at which time a rule was reported on H. R. 11477, I pointed out the following purposes and functions of the bill:

First. The bill itself will provide at all times for the full protection of the rights of the individual but maintain the full authority of law-enforcement officers and their obligation to protect the entire society.

Second. Need for legislation to correct the effects of the Supreme Court ruling were clearly set out in the report of the Committee on the Judiciary. I would point out some of the more important points brought out in House Report 1815:

Crimes such as robbery, rape, even murder, are planned in secret and committed under circumstances which do not lend themselves to evidence of perpetration. * * * There is no evidence for the police except a recounting of the case by complaining witnesses. * * * If the police are (in effect of the Mallory decision) prevented from conducting a proper and reasonable interrogation of suspects, law enforcement is faced with a serious challenge.

There are many cases of law enforcement in which the proper interrogation has resulted in the clearing of an accused person of a crime.

The human frailty involved in the identification of a suspect is well known to all prosecutors and demands caution and substantiation.

All of these instances involve "justified delay" and must entail reasonable interrogation. Yet, if the Mallory decision is permitted to stand, proper police procedure cannot be followed and criminals may go free while innocent people go to jail.

The committee is cognizant of the fact that the concept of "unnecessary delay" is one that must be flexible, if it is to be adequate for the protection of both the accused and of society * * * for that reason a proper

balance, in the opinion of the committee, is achieved.

The effect of the language of this subsection is to restore the rules of evidence for the admission of statements and confessions into evidence.

The bill as proposed will permit the judge and jury to consider the time element as a factor in determining the free and voluntary nature of a confession.

The bill further provides that before a confession may be admitted into evidence two prior requirements must be met. They are: The arrested person, prior to interrogation, shall be advised by the law enforcement officers that he is not required to make any statement, and, that the officer must also state to the arrested person that he is not required to make a statement and if he does so, it may be used against him in subsequent criminal prosecution.

Third. There is no doubt in my mind that, under the proposed bill any undue delay between arrest and arraignment can still be considered under the new legislation if it appears that the time element results in coercion and thus makes confession involuntary.

Fourth. The prohibition against improper action on the part of the arresting officer still remains intact because rule 5 (a) remains intact and the bill provides for a rule of evidence.

Fifth. There is no constitutional question involved in the Mallory case and therefore none is involved in this bill. It is merely clarification of rule 5 (a) by adding to it a rule of evidence.

These are the facts in brief. I can assure the Members of the House that this bill is to be presented as the result of the very best legal advice available in the Nation. It comes as the result of extremely damaging interpretation by the Supreme Court of the United States ruling in the Mallory case, that has tied the hands of law-enforcement officers all over our Nation. An admitted and proven rapist was set free to commit the same heinous crime again. I urge prompt and favorable action by the House on H. R. 11477.

SMALL-BUSINESS MAN SAYS BANKERS UNAWARE OF THEIR RESPONSIBILITY TO HELP PRESERVE OUR ECONOMIC SYSTEM

Mr. MILLS. Mr. Speaker, I ask unanimous consent that the gentleman from Texas [Mr. PATMAN] may extend his remarks at this point in the RECORD and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

Mr. PATMAN. Mr. Speaker, I am sure that the big majority of the Members of the Congress are sympathetic toward the small-business man and want him to continue in business, to be able to compete effectively, and to grow and expand in a fashion commensurate with his management skill and effort. Accordingly, I invite especial attention to a communication which I received yesterday from a small-business man who tells me that he wrote the letter at 5 o'clock in the morning before undertaking his daily chores. The letter is primarily noteworthy, however, because of the sincere and persuasive manner in

which it deals with the plight of small business and the related failure of the banking fraternity to measure up to those responsibilities traditionally expected of those individuals engaged in that profession of prestige. This letter asserts that the bankers appear to be oblivious to the fact that their outmoded brand of conservatism is actually crippling the economic system which they want to foster.

The letter is as follows:

MAY 27, 1958.

DEAR MR. PATMAN: Good morning, Mr. Chairman.

It is only 5 a. m. but before my daily chores start, allow me to talk to you once more of the problems of the real small-business man.

First of all let me congratulate you warmly for your address of January 29, 1958, on a bill to create a system of small business capital banks. To your last word you hit the nail on the head. I admire you, and in the name of the millions like me who unfortunately remain forever mute I beg you to continue your uphill fight. As I see it more clearly every day, unless we succeed to keep small business alive, prosperous and wholly independent, our generation shall see the sad day, when due to lack of economic independence, freedom shall once more become the topic of dreamers and idealists.

When a few months ago the rate of interest was lowered a few times in succession, I hoped that things might change. So far no news of the lower interest rates reached the grassroots. If I was a cynic, I might think that the purpose was to give the banks a better margin of profit.

As usual the small fellow who has to compete, under the most unfair of financial circumstances (3 percent for the strong, 6 percent for the solvent but small, and 15 to 20 percent in the black market, for much-needed long-term capital) shall have to fight impossible odds. The situation is such that it is hard to believe. The small banks I work with, are frank about it. They feel no obligation to the community, refuse to consider character as an asset, refuse even to use good judgment. In my case in particular, 2 weeks ago when I applied to two local banks who hold the first mortgage on whatever we own in this world, including our private home, for a personal loan, to follow the President's advice to "do it now," I was told indirectly that I was a "screwball." This would be funny if it wasn't that the two banks could easily give me 40 times, I repeat 40 times, the amount asked for and still be under 50 percent of the book value of the real property they hold in our first mortgage.

Mind you, my dear Mr. PATMAN, I have no axe to grind against banks as such. I know all the directors of the banks I deal with and would call them good business friends. My complaint is that the banks, having for all practical purposes a monopolistic franchise, when it comes to small business, have no conception of their responsibilities. They simply cannot see that their outmoded brand of conservatism is the gravedigger of the economic system they claim to be in favor of.

I do think that we have to go ahead and help the underprivileged nations of the world.

I do think that we should spend \$50 billion a year or more to keep our freedom.

I do think that Federal roads should be built, and many other projects (useful ones) be undertaken to boost the economy.

But if the purpose is to keep the United States strong and free, and not become within a short time a mere copy of what we are fighting, we will have to find the courage to help the small enterprise to be an equal to big business. No matter how many billions it will take. Not a cent has to be tax

money. With enough capital, the great majority of small businesses can easily meet the competition of the unwieldy big fellows. The signature of the American father and mother is as prime a business paper as any oil potentate can give us. Their responsibility is at least as high as that of any impersonal board of directors. Finally the sounder base and prospects of true independence will keep our sons interested in the family enterprise, instead of hunting around the land for junior-executive positions, which in most cases cannot be more than glorified clerkships.

Thanking you once more for your hard work in behalf of a good and urgent cause, I remain, with best regards also to Mr. McIntyre,

Sincerely yours.

IDAHO POWER CO.'S LITTLE DAMS IN HELLS CANYON

The SPEAKER pro tempore. Under previous order of the House, the gentleman from Oregon [Mr. ULLMAN] is recognized for 10 minutes.

Mr. ULLMAN. Mr. Speaker, I have spoken many times on this floor about the criminal waste of our inexhaustible water resources which the Federal Power Commission and the present administration have permitted, aided and abetted in Hells Canyon. Today I want to take just a few minutes to report briefly on the latest information concerning the operations of Idaho Power Co. in its legalized robbery of the American people.

All through the Hells Canyon fight we heard the refrain from the Idaho Power Co., "Look what we are going to do for you. We are going to build this dam for the Northwest with our own money, at no cost to the taxpayers." Time and again, in Senate and House hearings on Hells Canyon authorization bills, in the proceedings before the Federal Power Commission, in the propaganda brochures and letters and newspaper advertisements and planted articles with which the Idaho Power Co. flooded the country, and of course in the slick-paper magazine ads of ECAP, the Electrical Companies Advertising Program—always the song was the same—"at no cost to the taxpayers."

Well, from time to time we have seen a glimmer of truth break through this curtain of power company baloney. We saw it when the full facts of the rapid tax amortization certificates were made public, when the chief accountant of the Federal Power Commission testified that the rapid tax amortization certificate of the great Idaho defender of the taxpayer would amount to a subsidy of \$329 million for the company and cost the taxpayers some \$83 million. But the company hastened to pull the curtain shut on the eve of the consideration of the Hells Canyon bill by the other body, by renouncing, with a grandiose flourish, its rapid tax amortization certificates. It must have been a painful process for the company, but I do not suppose it took any skin off the company's officials, and I am quite sure it did not cause their salaries to be cut. And at least it permitted the company to resume its posture as the defender of the American taxpayer.

Well, Mr. Speaker, the baloney curtain has been breached again. This time the breach has been caused by the revelation of the agreement which the Idaho Power Co. tried to foist off on the Bonneville Power Administration as compliance with article 39 of its Federal Power Commission license to build Brownlee Dam, which required the company to coordinate the operation of its projects with the Northwest power pool. This coordination involved two separate but interrelated aspects—hydraulic coordination with the downstream projects and electric coordination with the other members of the pool.

Under section 10 (f) of the Federal Power Act, there was no provision for Idaho Power Co. to be compensated for the benefits at Federal downstream projects caused by the hydraulic coordination of its Brownlee Dam with the rest of the Northwest system, and it is to the credit of the Solicitor of the Interior Department and the Chairman of the Federal Power Commission that they have both interpreted the license provision in accordance with that section 10 (f).

But that did not stop the Idaho Power Co., which has as little regard for the provisions of section 10 (f) as it has for the laws of my State of Oregon. All it was interested in was in getting someone else to pay for its projects, and if the Federal Government would not pick up the check under the rapid tax amortization program, maybe it would through a coordination agreement with the Bonneville Power Administration.

So the company went to Bonneville with several proposals, and I think the Members of this House should know what they were. One of them, made last August 7, has been spelled out for the record in the hearings held by the Senate Interior Committee on May 14, 15, and 23. The subject of these hearings was Columbia Basin Problems, and it is an interesting commentary on the position of the Idaho Power Co. as a great public service company in that basin that it was involved—in fact was the major character—in every one of those problems.

It is also an interesting commentary on the company's respect for the Congress of the United States that when it was invited by the chairman to participate and present its side of these problems, it refused. But, Mr. Speaker, it did not refuse courteously by informing the chairman a week in advance that it would not be present; it actually waited until the morning of the day it was to appear to give the brush-off to a great standing committee of the Congress. Only an hour before the company was scheduled to present its testimony before the Committee on Interior and Insular Affairs the chairman received a telegram saying, in effect, "So sorry, we are really too busy to show up at your hearing."

But the record of the hearings does show how Idaho Power Co. intended to get the United States Government through the Bonneville Power Administration to pay for its Brownlee Dam, and more too. The testimony of the Bonneville Power Administration indicates that the company proposal of August 7, 1957, intended to comply with the license re-

quirement of coordination with the Northwest Power Pool, would be worth between \$1.1 million and \$1.8 million a year to the company—and I do not mean as just a business proposition. I mean as an outright gift from the Government system to the private company.

I have had the transcript of the hearings checked, Mr. Speaker, and here is the way the company worked out their latest pitch for a Government subsidy: First, it requested half the downstream benefits at Government plants from its Brownlee storage releases; under the Federal Power Act it had no claim in the world to those benefits, but that did not stop it from asking for them. The value of this requested bonanza, roughly computed by BPA technicians, amounts to \$284,471 with 4 downstream projects and \$605,504 with 8 downstream Federal dams.

Then the company asked for summer integration energy from the Bonneville system, but it did not want to pay for all it got. In fact, it proposed that it only be charged for four-tenths of this power delivered to it when it needs it most, during the summer pumping season. The additional six-tenths was apparently to be a free gift to the company for its largess in consenting to deal with the Federal system. With 4 downstream projects in the lower Snake and Columbia Rivers, this would have meant a gift of \$823,440 in addition to the \$284,471 from downstream benefits, for a total of \$1,107,911 annually. With 8 downstream projects, the integration benefits would have been \$1,206,340, making a total of \$1,811,844 a year for the company in pure bonanza from Uncle Sam.

If we assume that the 4 projects would be in the river for the first 20 years and 8 during the last 30 years, this comes to a total of \$76,513,540 which the company asked for just during the 50-year pay-out period of the FPC license. Yet according to its own estimates, the total cost of Brownlee Dam will be only \$67 million.

That may be just good business, Mr. Speaker, but to me it looks more like monkey business, and a mighty strange way to relieve the Government of the burden of paying for the full development of its resources. It is the same old story—what the company always intended was to have the Government subsidize its underdevelopment, its waste, of our greatest water resource. And that waste only this House can prevent now, by passing S. 555, which comes up for consideration next week in the Committee on Interior and Insular Affairs. It is time we got on with the full development of our resources, I say to my colleagues today, instead of subsidizing their waste and underdevelopment by private monopoly.

I request that there be included in the Record at the close of my remarks two brief excerpts from the committee print of the Senate Interior Committee, dated May 7, 1958, and from the transcript of the Senate Interior Committee hearings of May 14, 1958. These two excerpts provide all the documentation needed to illuminate the Idaho Power Co.'s latest scheme of subsidized underdevelopment.

EXCERPT FROM MAY 7, 1958, COMMITTEE PRINT OF THE SENATE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS ENTITLED "COLUMBIA BASIN PROBLEMS," CONSISTING OF MATERIALS CONCERNING COORDINATION OF PROJECTS IN THE COLUMBIA RIVER BASIN

(This excerpt, consisting of a proposal by Idaho Power Co. to Bonneville Power Administration, dated August 7, 1957, for the coordination of the company's Brownlee project with the Federal Columbia River power system, is at page 64 of the committee print.)

A method of settlement—median water

BROWNLEE, OXBOW, AND 4 DOWNSTREAM PLANTS
(For water released on request: Annual payment one-half energy generated by storage water—0.445 kilowatt-hours per foot of head per acre-foot, times head, times acre-feet released in critical period)

<i>Kilowatt-hours</i>	
Operating energy account for winter energy exchange, Bonneville Power Administration credit to Idaho: $0.445 \times 327 \times 1,000,000$ acre-feet.....	145,515,000
Integration energy account for summer energy exchange, Bonneville Power Administration charge to Idaho: median year	584,000,000

Transfer to present exchange agreement:	
Operating energy credit to Idaho	145,515,000
Integration energy charge to Idaho: $584,000,000 \times 0.4$	233,600,000

Balance Idaho owes Bonneville Power Administration	88,085,000
Winter secondary available which Idaho may use to return above balance	378,000,000

BROWNLEE, OXBOW, AND HELLS CANYON, AND 8 DOWNSTREAM PLANTS

<i>Kilowatt-hours</i>	
Operating energy account for winter energy exchange, Bonneville Power Administration credit to Idaho: $0.445 \times 697 \text{ feet} \times 1,000,000$ acre-feet.....	310,165,000
Integration energy account for summer energy exchange, Bonneville Power Administration charge to Idaho: median year	855,560,000

Transfer to present exchange agreement:	
Operating energy credit to Idaho	310,165,000
Integration energy charge to Idaho: $855,560,000 \times 0.4$	342,224,000

Balance Idaho owes Bonneville Power Administration	32,059,000
Winter secondary available which Idaho may use to return above balance	617,799,000

SUPPLEMENTAL STATEMENT OF C. E. MOHLER, BONNEVILLE POWER ADMINISTRATION, BEFORE THE COMMITTEE ON INTERIOR AND INSULAR AFFAIRS OF THE UNITED STATES SENATE, MAY 14, 1958

On page 64 of the committee print dated May 7, 1958, appears "A Method of Settlement" suggested by Idaho Power Co. During the hearing the request was made that an estimate of the value of this proposal be provided for the record. Because it was not stated whether what was desired was the value to Idaho Power Co. or the value to Bonneville Power Administration assuming alternative saleability of the power involved,

two analyses have been provided, with the assumptions of each stated:

VALUE TO IDAHO POWER CO.

I. Operating energy credit to Idaho for downstream generation from storage water released on request, 145,515,000 kilowatt-hours.

A. Assumptions

1. Value of 2.08 mills per kilowatt-hour for firm energy at market. This is the average revenue from all sales of firm power by Bonneville Power Administration to privately owned utilities in calendar 1957.

2. Energy transmission losses of 6 percent. For the purpose of this computation, it is assumed that Idaho Power Co. would buy firm power from Bonneville if its proposal is rejected, although BPA has no such firm power to sell. Since this price is much lower than any alternative source, the estimate is very conservative.

4. It is further assumed that there would be no charge for wheeling this power to Idaho Power's delivery point.

B. Computation

$$145,515,000 \times 0.94 \times 2.08 = \$284,471$$

II. Integration energy proposed to be supplied to Idaho Power Co., but not charged to its account (584,000,000 - 233,600,000 = 350,400,000 kilowatt-hours).

A. Assumptions

1. Value of 2.5 mills per kilowatt-hour at market for summer secondary energy. This is the regular Bonneville Power Administration H rate.

2. Energy transmission losses of 6 percent.

B. Computation

$$350,400,000 \times 0.94 \times 2.50 = \$823,440$$

III. Total value of proposal to Idaho Power Co. as computed above: \$284,471 + \$823,440 = \$1,107,911.

VALUE TO BONNEVILLE POWER ADMINISTRATION

I. Operating credit to Idaho for storage releases, 145,515,000 kilowatt-hours.

A. Assumptions

1. Value of 2.29 mills per kilowatt-hour for firm energy at market. This is the average revenue from all sales of power by Bonneville Power Administration in calendar 1957.

2. Energy transmission losses of 6 percent. Cost of 1.0 mill per kilowatt-hour for transmission. This is merely a recent average cost and varies with stage of system development.

B. Computation

$$145,515,000 \times 0.94 \times (2.29 - 1.0) = (-) \$176,510$$

II. Integration energy proposed to be supplied to Idaho Power Co. without charge, 350,400,000 kilowatt-hours.

A. Assumptions

1. Value of 2.5 mills per kilowatt-hour at market for summer secondary energy (BPA H rate).

2. Energy transmission losses of 6 percent. Cost of 1.0 mill per kilowatt-hour for transmission.

4. Alternative saleability of 50 percent for the summer integration energy involved.

B. Computation

$$350,400,000 \times 0.94 \times (2.50 - 1.0) \times 0.5 = (-) \$247,032$$

III. Total value (lost net revenue) to Bonneville Power Administration: \$176,510 + \$247,032 = (-) \$423,542.

NOTE.—It should be emphasized that the above computations are at best only approximate evaluations based upon the assumptions stated. If gross revenue loss to Bonneville were desired, the 1.0-mill factor for cost of transmission would be omitted, increasing the "value" to BPA by \$320,715 to a total of \$744,257.

All computations above are of course based upon an assumption of acceptance by

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Bonneville Power Administration of the proposal as made, a course which has never been seriously considered by the Administrator and under the law could not be.

WITH EIGHT FEDERAL PLANTS DOWNSTREAM

The above computations assume the existence of 4 Federal plants downstream from Brownlee Dam. Using the system of 8 Federal plants downstream as computed in the second half of the proposed "method of settlement," the equivalent figures would be:

Value to Idaho Power Co.

I. Operating energy credit..... \$605,504
II. Integration energy not charged..... 1,206,340

III. Total value..... 1,811,844

Value to Bonneville Power Administration

I. Operating energy credit... \$375,723
II. Integration energy not charged..... 361,902

III. Total value (net revenue loss)..... (-) 737,625

Transmission costs..... 567,183

Total value (gross revenue loss)..... (-) 1,304,808

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. LANE, for June 2 and 3, on account of legislative business (Judiciary Committee hearing at Portsmouth, N. H.).

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. CEDERBERG for 1 hour on June 4.

Mr. ULLMAN, for 10 minutes, on today, to revise and extend his remarks, and to include extraneous matter.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks in the CONGRESSIONAL RECORD, or to revise and extend remarks, was granted to:

Mr. LANE and to include extraneous matter.

Mr. O'HARA of Illinois and to include related matter.

Mr. BURNS of Hawaii and to include related matter.

Mr. KEATING and to include extraneous matter.

Mr. WEAVER.

ADJOURNMENT

Mr. MILLS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 20 minutes p. m.), under its previous order, the House adjourned until Monday, June 2, 1958, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1969. A letter from the Comptroller General of the United States, transmitting a re-

port on the review of mortgage servicing operations, Federal National Mortgage Association, Housing and Home Finance Agency, October 1957, pursuant to the Government Corporation Control Act (31 U. S. C. 841) and the Budget and Accounting Act, 1921 (31 U. S. C. 53) (H. Doc. No. 389); to the Committee on Government Operations and ordered to be printed.

1970. A letter from the Acting Secretary of Agriculture, transmitting three reports prior to restoration of balances, pursuant to title 31, United States Code, sections 701-708, and Bureau of the Budget Circular No. A-23; to the Committee on Government Operations.

1971. A letter from the Chief Commissioner, Indian Claims Commission, transmitting a report that proceedings have been concluded with respect to the following claims: *James Strong, et al., as the representatives and on behalf of all members by blood of the Chippewa Tribe of Indians, including all descendants of Chippewa members of the United Nation of Indians, Plaintiffs, v. the United States of America, Defendant* (docket No. 13-J), and *Robert Dominic, et al., as representatives and on behalf of all members by blood of the Ottawa Tribe of Indians, Plaintiffs, v. the United States of America, Defendant* (docket No. 40-H), pursuant to 60th United States Statutes at Large, page 1055; title 25, United States Code, section 70t; to the Committee on Interior and Insular Affairs.

1972. A letter from the Chief Commissioner, Indian Claims Commission, transmitting a report that proceedings have been concluded with respect to the following claim: *Lincoln Burden, et al., for themselves and as members and representatives of the Loyal Seminole Group of American Indians, Petitioners, v. the United States of America, Defendant* (docket No. 121), pursuant to 60th United States Statutes at Large, page 1055; title 25, United States Code, section 70t; to the Committee on Interior and Insular Affairs.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BARDEN: Committee on Education and Labor. H. R. 488. A bill to provide for the conferring of an award to be known as the Medal for Distinguished Civilian Achievement; with amendment (Rept. No. 1831). Referred to the Committee on the Whole House on the State of the Union.

Mr. BLATNIK: Committee on Public Works. H. R. 11305. A bill to authorize the appropriation of funds to finance the 1961 meeting of the Permanent International Association of Navigation Congresses; without amendment (Rept. No. 1832). Referred to the Committee of the Whole House on the State of the Union.

Mr. FALLON: Committee on Public Works. H. R. 7898. A bill to revise the authorization with respect to the charging of tolls on the bridge across the Mississippi River near Jefferson Barracks, Mo.; without amendment (Rept. No. 1833). Referred to the House Calendar.

Mr. HAYS of Ohio: Committee on Foreign Affairs. Report of the special study mission to the Near East on Africa pursuant to House Resolution 29 (85th Cong.) (Rept. No. 1834). Referred to the Committee of the Whole House on the State of the Union.

Mr. SMITH of Virginia: Committee on Rules. House Resolution 585. Resolution for the consideration of H. R. 11477, a bill to amend chapter 223 of title 18, United States Code, to provide for the admission of certain evidence, and for other purposes;

without amendment (Rept. No. 1835). Referred to the House Calendar.

Mr. THORNBERRY: Committee on Rules. House Resolution 586. Resolution for the consideration of H. R. 12695, a bill to provide a 1-year extension of the existing corporate normal-tax rate and of certain excise-tax rates; without amendment (Rept. No. 1836). Referred to the House Calendar.

Mr. O'NEILL: Committee on Rules. House Resolution 580. Resolution to amend the rules of the House to provide for a Committee on Science and Astronautics; without amendment (Rept. 1837). Referred to the House Calendar.

Mr. FALLON: Committee on Public Works. H. R. 3778. A bill to amend the act of May 29, 1930, with respect to the stream valley parks in Maryland; with amendment (Rept. No. 1838). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BONNER:

H. R. 12739. A bill to amend section 1105 (b) of title XI (Federal Ship Mortgage Insurance) of the Merchant Marine Act, 1936, as amended, to implement the pledge of faith clause; to the Committee on Merchant Marine and Fisheries.

By Mr. BURNS of Hawaii:

H. R. 12740. A bill to amend section 34 of the Trading With the Enemy Act; to the Committee on Interstate and Foreign Commerce.

By Mr. KILGORE:

H. R. 12741. A bill to amend the Civil Service Retirement Act with respect to the crediting of service of United States Commissioners for purposes of such act; to the Committee on Post Office and Civil Service.

By Mr. MULTER:

H. R. 12742. A bill to establish an emergency program of grants to accelerate the

construction of State and local public works; and for other purposes; to the Committee on Banking and Currency.

By Mr. O'HARA of Illinois:

H. R. 12743. A bill to authorize the establishment of the Indiana Dunes National Monument; to the Committee on Interior and Insular Affairs.

By Mr. PRICE:

H. R. 12744. A bill to authorize the establishment of the Indiana Dunes National Monument, to the Committee on Interior and Insular Affairs.

By Mr. RHODES of Arizona:

H. J. Res. 617. Joint resolution providing for the construction by the Department of the Interior of a full-scale demonstration plant for the production, from sea or other saline waters, of water suitable for agricultural, industrial, municipal, and other beneficial consumptive uses; to the Committee on Interior and Insular Affairs.

By Mr. FINO (by request):

H. Res. 584. Resolution requesting the President of the United States to submit a peace formula at his next conference with the Premier of the Union of Soviet Socialist Republics; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

By the SPEAKER: Memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United States to remove discriminatory regulations as they apply to transportation by railroads in order that this vital industry may maintain its place of usefulness to the Nation in times of peace and war; to the Committee on Interstate and Foreign Commerce.

Also, memorial of the Legislature of the State of Mississippi, memorializing the President and the Congress of the United

States to enact legislation providing for the repeal of the Federal excise tax upon the transportation of passengers and freight; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLEN of California (by request):

H. R. 12745. A bill for the relief of Mrs. Hagit Lalo; to the Committee on the Judiciary.

By Mr. POAGE:

H. R. 12746. A bill for the relief of Mr. Marion M. Bostick; to the Committee on the Judiciary.

By Mr. SIKES:

H. R. 12747. A bill for the relief of Col. Fred C. Gray; to the Committee on the Judiciary.

By Mr. WALTER:

H. J. Res. 618. Joint resolution to waive certain provisions of section 212 (a) of the Immigration and Nationality Act in behalf of certain aliens; to the Committee on the Judiciary.

H. J. Res. 619. Joint resolution to facilitate the admission into the United States of certain aliens; to the Committee on the Judiciary.

H. J. Res. 620. Joint resolution for the relief of certain aliens; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII,

657. Mr. RHODES of Arizona presented a petition of Mrs. Lillian Crandell and 31 other citizens of Arizona in support of legislation to prohibit alcoholic beverage advertising in interstate commerce, which was referred to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

Soviet World Air Challenge

EXTENSION OF REMARKS OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES

Thursday, May 29, 1958

Mr. WILEY. Mr. President, each new day brings new evidence of the Soviet challenge to United States technical supremacy.

Today, I should like to point out that our country is challenged significantly in a field which has, heretofore, largely escaped our attention, unfortunately.

I refer to the tremendous Soviet advance in international air passenger travel.

The Soviet State Airline Aeroflot is now second in route-miles flown throughout the world, in volume, to the largest American flag carrier.

Right now, Soviet air routes reach into 16 foreign countries. Plans are underway to extend Russian service to additional capitals and other major population centers.

A most interesting article in last Sunday's May 25 Milwaukee Journal

pointed out the grim significance of the Soviet-United States technical race for commercial air supremacy.

In many respects, American commercial airlines are very far ahead, as attested by detailed analysis by the Air Transport Association, which represents the scheduled airlines of the United States.

SOVIETS ALONE HAVE JET PLANES IN USE

But, in some respects, the Soviets are ahead, principally in that they operate the world's biggest fleet of jet transport planes.

These, however, are merely modifications of military jet bombers; they do not have anything like the luxury and civilian conveniences which Americans traditionally associate with air travel; particularly on international routes.

I raise this point of United States technical competition with Russia because I think that all the United States agencies involved—the United States State Department, the Commerce Department, and the Civil Aeronautics Board—had better think it through in all of its implications; just as the Department of Defense, likewise, must think through the Aeroflot challenge in all its ramifications.

PURPOSES OF SOVIET AIR PUSH

It is clear that the Soviets conceive of international air route progress as a goal for many reasons:

First. As a prestige symbol for the U. S. S. R.; particularly in the underdeveloped world, as modern Russian planes impressively arrive and take off.

Second. Perhaps, in part, as a commercial-economic earner of foreign revenue. Of course, the fact that Aeroflot is owned and operated by the state means that Soviet aviation economics are far different from our own.

Third. As a convenient instrument for acquiring military air intelligence data.

Fourth. As a convenient artery for assisting in Soviet subversion—the protected flying in and out of intelligence operatives and information.

And there are other Soviet objectives, as well.

We, in the United States, rightly pride ourselves in our own private airline industry.

Commercial aviation in the United States, domestic and international, represents a triumph of free enterprise at work. It is about as outstanding an example as I know of, in citing what can be done by a combination of risk-taking by private investors, technical compe-

tence by aviators, ground maintenance men, aircraft manufacturers, and others; plus courage, vision, and private initiative.

The American commercial aviation industry is a civilian industry. Yet, in times of emergency, it has served us so effectively that we can hardly ignore its deep significance in terms of the overall defensive capability of the United States.

I, for one, certainly want to see American commercial aviation strengthened at home and abroad.

I would like to see American commercial planes be able to fly into Moscow, and other key Russian cities, through the bilateral Soviet-United States agreement. Already, the CAB has certificated a carrier to fly to Moscow, but agreement with Russia is still lagging.

I would like to see aviation used solely as a tool for shrinking the world's distances for purposes of man's betterment and well-being.

SOME \$64,000 QUESTIONS FOR EXECUTIVE AGENCIES

But I cannot close my eyes, and I do not want the executive branch to close its eyes, to the serious overtones of the Soviet challenge.

Let the executive branch review its actions. Is it helping or hurting United States commercial aviation at home and abroad? Is it truly helping the carriers to complete successfully the enormous problem of financing costly jetplanes? Is the executive branch imposing excessive taxes on this industry, including on aviation fuel? Is it helping enough to provide jet airports to accommodate jetplanes?

Has not it been overgenerous in giving away choice United States routes to foreign carriers? Has it been realistic and practical in its attitude toward fares which it permits our heavily burdened carriers to charge for costly international air service?

These are questions which I have asked before and which I now ask again, in my capacity as senior minority member of the Foreign Relations Committee.

My purpose is constructive. I want true United States leadership both within and outside government.

Leadership means being awake to the new facts of life, such as Aeroflots' serious rise and the spreading network of Red air routes.

Leadership means our flashing the green light, go, not the red light, stop, to our own carriers serving overseas territories and lands.

I ask unanimous consent that the text of the Milwaukee Journal article on the ATA report "Red Star Into the West" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIET WORLD AIR CHALLENGE GROWS (By William J. Normyle)

Russia is standing with one foot in the commercial jet age and the other planted heavily just this side of the Lindbergh era. That's the combined opinion of expert Amer-

ican observers who have studied Russia's rapidly growing passenger air route network.

Their views are presented in a memorandum compiled by the Air Transport Association (ATA) which represents scheduled airlines in the United States. The 30-page report is titled: "Red Star Into the West."

Russia's single airline—Aeroflot—presents a series of startling contrasts. In many respects, it is several years ahead of the United States. In others, it stands 20 years behind.

SOON TO SERVE LONDON, PARIS, NEW DELHI

But of one thing the ATA is certain, Aeroflot is the most serious challenge ever made to United States supremacy in commercial aviation.

Aeroflot's route structure, already enormous, is due for even more expansion. It now reaches 16 foreign countries from Norway to North Korea and is second in route miles only to Pan American World Airways, the largest American-flag carrier.

Aeroflot plans to extend service this year to London, Paris, New Delhi, and Amsterdam. It has made overtures for permission to fly into the United States.

Facts about Aeroflot present some odd contrasts.

Although the Russian operated air system has the world's biggest fleet of jet transport planes, they are no more than modified jet bombers lacking many of the luxury services which American passengers have come to consider common.

Cost is no object

Aeroflot has been flying its jets since 1956. A United States jet won't fly commercially until this fall.

ATA's memorandum to aviation writers says Aeroflot achieved its rapid expansion because the Russian Government operates it for prestige and propaganda—with cost no object. If a United States carrier attempted the same technique it would quickly drop into financial chaos, ATA concluded.

ATA's memorandum observed: "If the United States Government were to take every trunkline, local carrier, helicopter, international, cargo, and territorial air line, the charter operators and the supplemental carriers, all of the flying schools, the airport authorities, every private aircraft and business plane and their pilots, the civil aeronautics board and the civil aeronautics administration, push them all into a hopper, what would come out would be an American version of Aeroflot."

RUSSIA HAS 40 JET LINERS IN USE

The Russian airline, in short, controls everything in the air except military aircraft. Show piece of the Aeroflot civil air fleet is the TU-104, a twin jet airliner which has been flying on impressive junkets around the world for 2 years. It has visited this country 3 times, and publicity conscious Russians threw it open to the public.

Aeroflot supposedly has about 40 of the 104's.

Figures on the 104 are impressive. It cruises at about 500 miles an hour, carries 70 passengers at about 33,000 feet.

But the ATA memorandum, quoting American observers who have flown the Russian jet, marks it as a vastly overrated plane, for these reasons:

1. As a modified version of the Red TU-16 medium bomber, the 104 is underpowered, short ranged (1,600 miles) and gulps fuel in such enormous amounts that it would force an American carrier into bankruptcy.

2. Landing speed of 150 miles an hour, coupled with markedly weak brakes, have sent several overshooting runways.

Turboprops seem better

But the Russians are developing several turboprop airplanes which the ATA's observers say may be far superior to the 104. Some of them are strikingly similar to American designs.

A pure jet successor to the 104 may be the TU-110, a big brother capable of carrying 100 passengers at about 515 miles an hour for almost 2,200 miles.

Four-engined American jets due to start service this year will carry at least that many passengers twice as far, the ATA points out.

Despite Russian advances in jets and turboprops, ATA's memorandum suggests that most of Russian civil aviation is still 20 years behind the times.

ONLY JETPLANES ARE PRESSURIZED

ATA made these claims:

1. Services aboard Aeroflot planes range from fair to rotten.

2. When available, food was far below western standards. About half the flights have stewardesses.

3. Many Red air liners lack safety belts.

4. Only the Aeroflot jets are pressurized, so that all other planes must fly below 10,000 feet.

There may be attempts to improve the passenger facilities in the new TU-114 Rossia. Russian claims for their new airplane certainly are expansive.

Rossias will have 8 contrarotating propellers powered by 4 turboprop engines. They will travel at about 470 miles an hour, with a 4,000 mile range and a capacity for 170 passengers.

Included in the Rossia, says Aeroflot, will be a 48-passenger restaurant, a telephone system, two elevators and motion picture facilities.

By contrast, many of the conventional four engined, propeller driven airplanes are ornate monstrosities that reminded many observers of ancient railway coaches. Thick rugs, heavy drapes, and cast-iron toilets are common.

But the ATA experts were not inclined to scoff at the overall Russian air effort. They acknowledged that its mushrooming growth is a means of economic penetration of many countries and a propaganda weapon of enormous influence.

Language That Needs No Translation

EXTENSION OF REMARKS

OF

HON. BARRATT O'HARA

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1958

Mr. O'HARA of Illinois. Mr. Speaker, William H. Stuart and his wife Mary write Heard and Seen, probably the most widely read weekly political comment newspaper in the Middle West. Mary ends her column of news and observations with a pungent line of which this in current issue is a sample:

A woman can make a fool out of a man because he usually gives her such excellent cooperation.

Mary Stuart's last-word paragraphs are much quoted in Chicago.

But in the May 24, 1958, issue Bill Stuart has a line that out-Mary's Mary. Speaking of the great Democratic dinner in Chicago where, he says, the Democratic Party expected to receive big financial and spiritual encouragement, he adds:

Most of the latter from Harry S. Truman who talks a language that needs no translation.

Of all the many tributes that millions of admirers have paid to the courageous outspoken former President of the United States none hits the target most truly than Bill Stuart's reference to him as a man who speaks a language that needs no translation.

The trouble today is we have too many ghost writers whose meaning cannot be translated even by the statesmen who read them. It is hard enough for some of the statesmen in high executive positions to pronounce all the words, let alone to glimpse what, if anything, the words are intended to mean. No one ever is left guessing when Harry S. Truman speaks, as Bill Stuart puts it, the language that needs no translation.

Memorandum in Support of H. R. 12740, a Bill To Amend the Trading With the Enemy Act

EXTENSION OF REMARKS

OF

HON. JOHN A. BURNS

DELEGATE FROM HAWAII

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1958

Mr. BURNS of Hawaii. Mr. Speaker, I have, at the suggestion of constituents, introduced H. R. 12740, a bill to amend the Trading With the Enemy Act. This bill would provide for the establishment of a final date for completion by the Alien Property Custodian of examination of claims filed before September 2, 1947. Failure of the Custodian to complete his findings and lack of a statutory final date has operated to the injury of claimants desiring to proceed further.

For the information of interested Members I include for printing the following memorandum:

MEMORANDUM IN SUPPORT OF H. R. 12740, A BILL TO AMEND SUBSECTIONS (C) AND (F) OF SECTION 34 OF THE TRADING WITH THE ENEMY ACT

The proposed amendments to subsections (c) and (f) of section 34 of the Trading With the Enemy Act, relate to a group of an estimated 15,000 unsettled debt claims, which are still pending in the Office of Alien Property awaiting final administrative determination by the Director of Alien Property.¹ These unsettled claims were filed under section 34 (a) of the act, and it is the group of claims which were required under the act to be filed before the September 2, 1947, bar date of the Custodian for filing of debt claims. All of these unsettled section 34 (a) debt claims are for debts asserted against funds of the Governments of Germany, Japan and their nationals, whose property was vested in or transferred to the United States after December 18, 1941.²

¹ Section 34 of the Trading With the Enemy Act, added by Public Law 671, 78th Cong., approved August 8, 1946 (60 Stat. 925).

² Senate Rept. No. 120, 85th Cong., 1st sess., at p. 4; Senate Rept. No. 1347, 85th Cong., 2d sess., at p. 3; Report of Office of Alien Property, Department of Justice, fiscal year ended June 30, 1957, at pp. 66-67.

³ Bar Order No. 1, Director Office of Alien Property F. R. Doc. 47, 1937; filed, February 28, 1947; 1957 Report of Alien Property, p. 62.

It is estimated as of May 1958 that among the 15,000 unsettled claims still pending in the Office of Alien Property, awaiting final determination, there are about 20 debt claims remaining of 1,824 totally filed before September 2, 1947, against funds of the German Government, vested after December 18, 1941. Despite almost 12 years for administrative determination, the Custodian's Office has not completed his examination of these debt claims, and has not yet filed the subsection (f) schedule of claims allowed against the alleged insolvent trust estate of the German Government, which is held under Custodian's Vesting Order No. 5706, et al.

The Custodian, on April 1, 1957, submitted an affidavit in Civil Action No. 406-57, suit filed for review of Custodian's disallowance of the debt claim of *Trent Trust Co., Ltd., and Cooke Trust Co., Ltd., Receiver, v. Brownell, Attorney General, et al.* (United States District Court, District of Columbia), against Custodian-held trust property of the German Government, reciting that an aggregate of 1,824 debt claims had been filed against the debtor estate of the German Government, and that the aggregate of debt claims exceeds the money held from which payment may be made from this alleged insolvent debtor's estate; the affiant also stated that the Director of Alien Property, as of March 29, 1957, had disallowed 1,696 of the above-mentioned 1,824 claims, and that 1 such claim had been allowed, leaving 127 of such claims still awaiting action of the Director; the affiant concluded his affidavit by stating that the schedule of all debt claims allowed and the proposed payment to each claimant, which schedule the Custodian is required to prepare and serve by registered mail on all claimants, pursuant to section 34 (f) of the act, where the aggregate of debt claims exceeds the money from which payment may be made, has not been prepared in the case of the German Government, alleged debtor.

Following the filing of the above affidavit the court entered an order on June 12, 1957, in Civil Action No. 406-57, reciting that plaintiff's action for review had been instituted prematurely, and granted the Government motion, dismissing plaintiff's complaint, without prejudice.⁴

The attorney for plaintiffs in Civil Action No. 406-57 was recently informed by the Office of Alien Property that 10 of the remaining unsettled 20 debt claims still pending against the German Government are now under investigation by the West Germany Office of the Custodian. Fairness to the claimants requires that this dilatory abuse be terminated. Congress should enact the proposed remedial legislation. This legislation will enable any diligent aggrieved claimant to file a suit for review of his claim within 60 days after October 1, 1958, which is the directive date for dismissal of all unsettled debt claims. It is also the date for filing of the section 34 (f) schedule of claims allowed by the Custodian against any pending insolvent debtor's estate.

The proposed amendments to section 34 of the act are a Congressional directive to the Custodian to allow, or disallow, all unsettled debt claims by October 1, 1958. The amendments provide a necessary terminal date of October 1, 1958, for termination of all consideration by the Director of Alien Property of all pending and unsettled debt claims. This terminal date of October 1, 1958, is necessary to bring to a final conclusion consideration by the Office of Alien Property of all the remaining unsettled debt claims which have been pending since 1947.

The amendments fully protect the existing rights of diligent claimants, and merely enable them to obtain an early judicial review of their debt claims under existing provisions

of subsections (e) and (f) of section 34. All suits for review of the Custodian's determination of debt claims must be filed within 60 days after October 1, 1958, directive date for disallowance of any and all of the pending unsettled debt claims. The amendments will accordingly bring to a definite close, in 1958, any further administrative consideration of section 34, Trading With the Enemy Act, debt claims by the Office of Alien Property, Department of Justice. No extensive litigation will result from the October 1, 1958, dismissal of pending unsettled debt claims. No suits for review were filed in 1957 by claimants of seven insolvent debtor's estates after the Custodian issued his section 34 (f) schedule of claims allowed.⁵

Statement of Hon. Thomas J. Lane in Support of Legislation To Help De- pressed Segments of Fishing Industry

EXTENSION OF REMARKS

OF

HON. THOMAS J. LANE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1958

Mr. LANE. Mr. Speaker, under leave to extend my remarks in the RECORD, I include my statement before the House Committee on Merchant Marine and Fisheries on May 27, 1958, in support of H. R. 10529, by Congressman BATES, to help depressed segments of the fishing industry:

STATEMENT OF HON. THOMAS J. LANE BEFORE THE HOUSE COMMITTEE ON MERCHANT MARINE AND FISHERIES IN SUPPORT OF H. R. 10529, BY MR. BATES, TO HELP DEPRESSED SEGMENTS OF THE FISHING INDUSTRY, MAY 27, 1958

Mr. Chairman, along the Atlantic and the Pacific coasts, the United States fishing industry is going down under the flood of fish imports. It is ironic that the Federal Government while encouraging this unfair competition, has turned a deaf ear toward compensatory relief.

The research provided for under the Saltonstall-Kennedy Act is appreciated, but unless some form of direct assistance comes to the aid of the fishing industry, it may be lost beyond recovery by the time that long-range solutions can reverse the disastrous trend.

The fishing industry of Massachusetts, which is vital to the economic life of the commonwealth, is fighting a losing battle against the administration's strange policy of making concessions to foreign competition in our home market, while it refuses to provide domestic relief for the victimized fishing industry.

The facts speak for themselves. In 1948, imports of groundfish fillets totaled 54 million pounds. They had almost tripled by 1957, expanding to 141 million pounds. As a consequence, our industry declined by a similar ratio. Since 1941, landings at the port of Boston have gone down 74 percent.

As the price which a fisherman receives for his catch is but slightly more than he received in 1945, and the price of his equipment and supplies has risen sharply, it is obvious that he himself is trapped in a net from which there is no escape without assistance from the Federal Government.

The Federal Government is under obligation to help our fishing industry, because its failure to provide tariff relief, and its failure to provide construction differential

⁴ 1957 Report of the Custodian, p. 72.

⁵ 1957 Report of Custodian, at p. 67.

subsidies for the fishing vessels that, by law, must be built at much higher costs in this country, have exposed our fishing industry to the unfair competition from abroad that is driving it out of business.

From the very beginning, our fishing industry has prided itself upon its spirit of self-reliance; but it cannot survive those policies of its own Government, which, in effect, place obstacles in the way of American fishermen and American fish processors, while extending every advantage to foreign competitors in our home markets.

Even in its predicament, our industry does not seek any quota or price-support crutch to lean on forevermore. It asks only for those reasonable measures that will help it to get back on its own feet. Namely:

1. Incentives to reduce the heavy burden of insurance costs.

2. Construction differential subsidies for vessels built in American yards.

3. A loan program for the repair and modernization of processing plants, to produce processed filets efficiently and economically.

4. Incentive payments for both fishermen and processing plants. This latter provision is designed to encourage the boat operators and processors to improve the quality of the fish caught and processed. These incentive payments would not only help to make up the price differential between foreign and domestic products, in order to hold the present share of the market, but would require our industry to improve its practices, thereby insuring a better product for the American consumers.

The American fishing industry does not ask for handout. It does, however, expect cooperation in solving those problems that have reached a critical stage. A nation with a long coastline cannot afford to neglect its fishing industry, which is the source of an essential food supply.

European nations are not indifferent to the value of their fishing vessels and processing plants. If reports are correct, the Russians are fishing off the northeast coast of this continent, which is a long distance to travel from their home ports. Whether their purpose is to deplete our supply, or to take soundings and make charts in their leisure moments, is of course incidental. The major point to consider, at the moment, is that they have good fishing vessels, whose range and activity are not limited by foreign competition.

Our industry needs help, and it is in the national interest to come to its rescue. The program outlined in H. R. 10529 is realistic and within our means. It will save and revive the important fishing industry of the United States, which is struggling for its life.

Article by Senator Neuberger in Tribute to Ex-Senator Herbert H. Lehman

EXTENSION OF REMARKS

OF

HON. HENRY M. JACKSON

OF WASHINGTON

IN THE SENATE OF THE UNITED STATES

Thursday, May 29, 1958

Mr. JACKSON. Mr. President, one of the most esteemed men to serve in the Senate during recent years has been our beloved former colleague, Herbert H. Lehman, of New York.

In the issue of the Progressive magazine for June 1958 high tribute is paid to ex-Senator Lehman by one of his close friends, Senator RICHARD L. NEUBERGER, of Oregon.

The title of Senator NEUBERGER's article is "Herbert H. Lehman: A Profile in Courage."

I am extremely pleased to have the honor, Mr. President, to request that this commendation of so illustrious and dedicated a man as Herbert Lehman be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HERBERT H. LEHMAN: A PROFILE IN COURAGE

(By Senator RICHARD L. NEUBERGER)

In the Denver Post Roscoe Fleming recently described George W. Norris of Nebraska as the one authentically great Senator of modern times. Undoubtedly the mold was broken with "Uncle George," who came from the crunching poverty of a stump farm to pioneer for the TVA and to defy lynch mobs because of his hatred of war. Yet to his illustrious name I should like to add that of another great Senator—a man whose leavetaking of Congress early in 1957 received far too perfunctory recognition. In contrast to Norris, this man came from wealth and from the metropolis. But he combined in himself the qualities which I am certain must have helped to make Norris great—sublime political courage, personal unselfishness, a gentle and kindly nature, and an understanding of people and their frailties.

Herbert H. Lehman has just marked his 80th birthday anniversary. He left the Senate while he was ahead. He did not stay there to vegetate with age. He voluntarily withdrew, in full possession of all his faculties. Characteristically, on his 80th birthday he asked for no gifts or presentations. Instead, to commemorate the start of his ninth decade on earth, he gave a check for \$5,000 to one of his favorite causes—Brandeis University. It also was in keeping for this singular man to talk about a topic appropriate to his own career. He discussed courage, particularly the capacity to place principle above politics, to think of future generations rather than of future elections.

Herbert Lehman's devoted friend and sponsor, Franklin D. Roosevelt, once described Senator Norris as the very perfect gentle knight of American progressive ideals. It was a description which fit like a satin glove. But Norris is gone now, and nobody is so qualified to inherit the glowing phrase as former Senator Lehman. Politics can be a brutal game, full of haranguing and personal abuse. Both Norris and Lehman have been men capable of fervent advocacies and creative ideas, without ever resorting to assassination of the reputations of their political opponents. I knew Norris, I know Lehman—two of the greatest privileges I have ever enjoyed. Not once have I ever heard either of these truly noble Americans deride an adversary or run down an antagonist. Such tactics have not been their nature.

I shall never forget Herbert Lehman as he was on the day that I became a Senator, back in January of 1955. He had called a conference in his office of all liberal Senators to thrash out civil-rights legislation. Around the room ranged a wide spectrum of Senate liberals from all sectors of the Nation. As newcomers, Pat McNAMARA of Michigan and I stood in a remote corner. Lehman, alone of the entire group, wanted to wage a stubborn fight, then and there, to change Rule XXII of the Senate, which permits unlimited debate. For varying reasons, none of the others chose to support his stand.

"Gentlemen," said Herbert Lehman, "you are making a very serious mistake. You are trying to postpone something which cannot be postponed."

Many times later I was to hear men like Senators DOUGLAS, MURRAY, HENNINGSON, and HUMPHREY admit that Lehman had been right. The significant thing was that Lehman himself never rubbed it in. He never even called the episode to memory. It would not have been in character for him to do so. This was never a man to inflict personal hurts.

Politics, alas, is a self-centered game. Acts of nobility are rare. Why take the risk? Men eye their own constituencies with a fixed stare, but with only a side glance for the other fellow's balliwick.

Fortunately, there are isolated exceptions to this. I remember the night we were debating the Hells Canyon bill in July of 1956. At nearly 10 o'clock, the late Senator Herman Welker, of Idaho, was criticizing the proposal for a high Government dam. I looked around me on the Senate floor. There we sat, all the interested parties: Senators MAGNUSON and JACKSON, of Washington; DWORSHAK, of Idaho; WATKINS, of Utah; MURRAY and MANSFIELD, of Montana; MORSE and NEUBERGER, of Oregon. It was our fight, on one side or another. Our States were directly involved. The stakes for us were as vast as the great canyon itself. Then I turned to the rear of the Chamber. An elderly man sat there in solitary exhaustion, at that weary hour of the evening—Lehman, of New York, representing a State 3,000 miles from Hells Canyon.

At the age of 78, he was gray and tired. His eye twitched with fatigue.

"What are you doing on the floor, Herbert?" I inquired. "You're the only Senator here who isn't from the Northwest."

His reply was in keeping: "I thought you and WAYNE and SCOOP JACKSON might need me, so I decided not to go home."

And when our bill was under discussion to protect the resources of the Klamath Indian Tribe, Herbert Lehman volunteered an interest in it on several occasions. This was an issue so remote from the Empire State that a Senator from New York could barely communicate with it by smoke signals. Yet these Indians were people, and Herbert Lehman was concerned about people, especially people who needed help.

Personal embarrassment meant nothing to him if he could serve his friends. When the bill was before the Senate to increase Congressional salaries, a long speech had just been made against it by a wealthy Republican Senator. With typical candor, Lehman said he had been fortunate enough in life not to need the higher pay. Indeed, he confessed that the increased salary would merely add to the Federal income taxes collected from himself and his wife. But he declared that the United States Senate should not be open only to rich men, but to all American citizens, regardless of financial status.

Such a speech could not have been calculated to help Herbert Lehman politically in New York. But it helped to pass the Congressional pay bill, and Lehman felt that some of his impecunious friends in the House and Senate desperately needed the increase.

In or out of the Senate, he never did the corny thing. When he was interviewed by Edward R. Murrow on Person to Person, Lehman was asked which deed of his long career in Congress had given him the greatest satisfaction. He might have referred to any of a dozen bills that provided projects or brought funds to the State of New York. Instead, he referred to his fight against McCarthyism and to his efforts to protect men and women who had been unjustly or unfairly accused of a lack of patriotism. And from the way Edith Lehman nodded her handsome white head in vigorous assent, viewers knew one reason why Herbert Lehman had never lacked for courage on his travels through life.

Cruelties in politics might put to shame the Mau-Mau. Herbert Lehman always has seemed just the opposite from the politician

who tries to torment his foes. When he and his New York colleague, Senator IRVING M. IVES, were engaged in caustic debate on the question of public versus private acquisition of kilowatts from Niagara Falls, I remarked to Lehman that Ives had not made a particularly effective presentation.

"IRVING has been quite ill lately," Lehman answered. "I imagine that is why his speech may have lacked fire or forcefulness. IRVING is really a very able man. Don't underestimate him."

And I wondered how often so generous an opinion ever was vouchsafed in politics about a man of another party, with whom one had just been debating an issue of major importance.

I think it was typical of Herbert Lehman that he left the Senate with pennon flying. He refused to wait until he nodded at his desk or bumbled in debate. He never needed Harry S. Truman's admonition, delivered in February, that some men do not know when to quit. Yet departing from the solemn prestige of the Senate has not meant for Lehman a musty retirement. He has not been one to sulk because his own vote-getting career is at an end. At the 1957 San Francisco conference of the Democratic Party, he made the most militant speech or all about the need for a fighting party dedicated to active and affirmative liberalism. In this year of 1958 he has been honorary chairman of another cause which claims his complete allegiance, the 10th anniversary of the founding of the Republic of Israel.

Yet it is civil rights legislation with which the name and career of Herbert H. Lehman are most inextricably identified. It has been a passion with him that neither the color of a person's skin nor the manner of his worship shall interfere with access to the "life, liberty, and the pursuit of happiness" which Jefferson enshrined in our Declaration of Independence.

Whenever fundamental bills dealing with civil rights reach the Senate Calendar, I know that I shall look back at the desk along the wide center aisle, in the very rear of the Senate Chamber. In my mind's eye, no matter who sits at that desk, I know that I will see the balding, gray-fringed old man with the gentle smile and the kindly eyes. I will hear again his solemn warning to us that this is an issue which liberals cannot delay or postpone, regardless of the political difficulties it might precipitate.

And when finally the great Government of the United States guarantees the liberties of all its citizens, I will have no doubt as to whom much of the credit really belongs. Herbert Lehman may not participate in these epochal rollcalls, but the victory and the glory will be his, nevertheless.

Address by Hon. Alexander Wiley Before Wisconsin State Republican Convention

EXTENSION OF REMARKS OF

HON. ALEXANDER WILEY

OF WISCONSIN

IN THE SENATE OF THE UNITED STATES
Thursday, May 29, 1958

Mr. WILEY. Mr. President, it was my privilege to address a group of Republicans in my State last Saturday, when I delivered an address before the Wisconsin State Republican Convention. I ask unanimous consent to have the address printed in the Record.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE KEYS TO REPUBLICAN VICTORY: PARTY UNITY AND PARTY FULFILLMENT OF THE NEW NEEDS OF A CHANGING AMERICA IN THE ATOMIC AGE

(Statement by Hon. ALEXANDER WILEY, Republican, of Chippewa Falls, at Wisconsin State Republican Convention, May 24, 1958)

Mr. President, ladies and gentlemen of the convention, Mrs. Wiley and I are glad to be here to exchange ideas on the coming election in our State and in our Nation.

You and I are here today to talk about, and to work for, the victory of the Republican Party.

Our party deserves to be successful this coming November.

But, if we are to be successful, it is up to you and to me to demonstrate to Wisconsin and to America that we have the answers to the changing world of 1958.

I am here today to talk about some of the most vital matters which affect you, and all the people of our State.

And the greatest of all these issues is the issue of avoiding world war III. That includes making sure that this continent is never attacked by an enemy.

This is the first and greatest challenge: Peace. Our task is to keep America adequate to the changing world, with its changing conditions. I will tell you a little more about that a little later on.

AMERICA IS CHANGING DYNAMICALLY

And I am here also today to talk to you about prosperity in our own State of Wisconsin. I mean full employment of our citizens in our fine manufacturing plants. I mean prosperity for Wisconsin's great tourist industry here in America's Vacation Land. I mean prosperity for the farmers here in America's Dairyland.

But here again industry is changing; farming is changing; the tourist industry is changing. And it is up to us to prove that we have the answers to these changing needs.

We cannot live in our yesteryears. We cannot have our heads in the sand. We must apply to the science of government, practical, commonsense methods. The Republican Party can do this, and will do this.

First of all, it is up to us to get the facts—the scientific facts, the geographic, the economic, the political facts. It is up to us to understand how Wisconsin has changed, how America has changed, how the challenge to the Republican Party has changed.

Solutions which might have been adequate 5, 10, 15 years ago, are not adequate today. We are in an age of exploration, and we are dealing with new forces, like nuclear energy. We are seeking to guide the Nation into the unknown, including the exploration of outer space.

We are opening up new frontiers for peace. WISCONSIN CAN BE FIRST IN SCIENCE THROUGH MURA PROJECT

Here in our State, I am trying to make sure that this great science-minded State of ours is first in scientific development.

I am trying to bring to our State what can prove to be one of the greatest single instruments for man's unlocking the mysteries of matter, the atom. How? Through the \$100 million high-speed physics accelerator, a new form of atom-smasher. It is our task to try to get funds authorized so that this accelerator can be constructed near Madison, under the auspices of the Midwest Universities Research Association.

Why?

So that Wisconsin will be first in science, first in industry; but infinitely more important, so that America will be first in strength and preparedness.

But now, let me tell you further why it is so important that we keep up with these changing times. Let me tell you how, within the years of my service as your Senator in Washington, the world has changed, America has changed, Wisconsin has changed.

Once we understand these changes, we will have vision for the future; we will grasp what is necessary to guide the ship of state. "Without vision, the people perish." Without understanding of these changing forces, we might not be adequate.

Look back, then, to 1939, and compare it to the America of today.

THE SEAWAY—IDEA IN 1939; REALITY IN 1959

In January 1939, the very idea of a fourth ocean coast for America—a Great Lakes-St. Lawrence seaway seemed, as you may recall, like only a dream.

But in the spring of 1959, that dream will become a wonderful reality. The St. Lawrence seaway, enacted under a Republican President by a Republican Congress, but with full bipartisan support, will transform the Middle West. We will become next-door port neighbors to the world.

Twenty years—that is the difference in time. But the Milwaukee of 1959 and the Wisconsin of 1959 are in a new age—a high-speed age, in a contracted world.

HIGHER INCOME FOR AMERICA

Then, two decades ago, we were a nation of about 132 million; now, we are a nation of about 173 million. (And our population is rising by over 3 million a year.)

Then, we had a national income of about \$50 billion. Now, we have a national income (in spite of the recession) of about \$334 billion.

Then, we had a national product of about \$60 billion; now, we have a national product of \$430 billion. (Let's remember these facts of growth, my friends, when our opponents, the spreaders of gloom and doom try to distort the national picture.)

Then, in 1939, the world was large; it took 44 days to go around it. Now, we can fly around it in 40 hours. With jets, the Atlantic will be crossed in 4 hours.

Then, speaking very frankly, Wisconsin was isolated, mentally and physically. Now, because Wisconsin is nearer to attack over the Arctic Circle than is New York City, we know that physical isolation has gone out the window.

Then, there had been no concept of a Pearl Harbor. Blitz attack hit us that Sunday morning, December 7, 1941. It alerted us, at least in part, to the changed facts of life on the international stage.

When Pearl Harbor broke, the world was still large. The Pacific was still a barrier. After the attack, we had 2 years to pick up the pieces and prepare to counterattack. Had we been awake previously, we could have saved, perhaps, \$100 billion in money, tens of thousands of American boys' lives, and 2 years of war.

Then, we knew nothing about the A-bomb or the hydrogen bomb. The A-bomb at Hiroshima took 70,000 lives and wounded 70,000 more.

Today, an all-out enemy attack on America could cost 70 million—I repeat, 70 million—lives in a matter of hours.

Avoidance of another Pearl Harbor is, therefore, at the very top of our priority list—the list of our great President, Dwight D. Eisenhower, and your list and mine.

THE DEADLY EVIL—COMMUNISM

And what about the very source of possible attack?

In 1939, the Communist danger existed but in nothing like the strength that it does today.

We had little realization of this evil, dynamic force that since has burst over the world stage. It has taken into its orbit since the close of the war, over 700 million human souls; it now occupies about one-fourth of the globe's land surface. Today,

it is on the march in its drive for complete world conquest.

And what about changes on the American scene?

COMPARISON OF EMPLOYMENT FIGURES

During the 1930's there were as many as 13 million unemployed, and some 40 million employed. Not until World War II did we solve the unemployment problem.

Now, there are some 63 million employed—virtually the highest peacetime level in our history, despite the fact that 5½ million are unemployed.

With 63 million employed, we have reached the highest standard of living in our history, with more comforts and conveniences than we dreamed of 20 years ago.

NEW EMPHASIS ON WORLD TRADE

Part of our high standard comes from our international trade. It supplies us essential materials without which we might hardly build a single automobile, much less a single tank or plane.

Four and one-half million United States jobs depend on international trade. Seven-hundred and fifteen thousand jobs last year were created alone by our aid expenditures.

Here are some of the available facts on United States and Wisconsin exports for the year 1957, as contrasted with 1939:

Total national exports: 1957, \$19.5 billion; 1939, \$3.2 billion.

Agriculture: 1957, \$4.5 billion; 1939, \$6.5 million.

Dairy export (sales): 1957, \$72 million; 1939, \$7 million.

Agricultural exports under government programs: 1957, \$1.7 billion.

Wisconsin dairy exports (1956): \$18 million.

THIS ALL ADDS UP TO NEW CHALLENGES

What does all this add up to?

It adds up to the importance of not living in yesterday, but in meeting the needs of today and tomorrow.

MEETING THE COMMUNIST THREAT

A 1½-ton Soviet Sputnik III circles over our heads, high in outer space. Soviet submarines—the world's largest fleet—lurk off our coast. Soviet guided missiles are in place in northern Siberia. One-hundred and seventy-five Red army divisions are stationed in eastern Europe.

And the Communists are at work throughout the free world: in the explosive Middle East, in civil-war torn North Africa, in Latin America, in South Asia.

What is our answer? Dare we wear blind-folds? Dare we do nothing? Of course not.

THE BIG PROBLEM WE ALL AGREE ON

No matter how much men may differ—and very honestly—on some of the details of our foreign policy, they cannot differ on this obvious fact: The big problem, the overall problem, is the maintenance of peace, seeing that no third world war comes upon us.

Therefore, we have to maintain modern military strength to deter the Kremlin from starting such a war. And military strength today, requires allies—strong allies. Let me point out that thus far, our allies have spent on military defense \$120 billion, while our military aid to them amounts to \$20 billion.

We have to recognize that we can't live in this house alone. We need allied divisions manning the ramparts in Turkey, Greece, Korea, Western Germany, and elsewhere.

Meanwhile, we have to keep on testing our nuclear weapons so as to advance both our striking and our defensive capabilities. Part of these tests will provide the answer to an anti-missile missile to help defend continental United States.

THE SCIENTIFIC RACE EVERYWHERE

Meanwhile, we are seeking to grasp the forces underlying electronics, astrophysics, geophysics, atomic energy, automation, and

other new developments of which we had almost no knowledge, but a few years back.

So, this is a world vastly different from a generation ago. We stand upon the threshold of still newer phases of development in jet flight, in communication, transportation, production, distribution. We are in a world, lifting its borders into outer space; a world of exploration and research and technical development, such as mankind has never seen.

HOLDING BACK INFLATION AND BEATING RECESSION

In connection with all of this, in order to keep America strong, you and I know, as Republicans and as Americans, we must maintain our economic equilibrium. The Republican Party can and will provide the answers. To do this, we recognize that there is the obligation locally, statewide, and nationally of meeting head-on the unemployment situation.

Every citizen, including the leaders of labor and of management, must recognize the tremendous challenge involved in meeting the twin problem of unemployment and inflation.

There must be engendered a spirit of co-operation which will help hold down both excessive price and wage increases during this recession period.

APPLYING THE SCIENCE OF GOVERNMENT

Thus, we are talking, my friends, about applying the science of government in this challenging age.

Primarily, that's a matter of the individual—you and I—learning to govern himself, getting rid of any little foxes of hate and bigotry and intolerance and selfishness that would destroy the vines, so there might be no fruit of stabilized government.

CHECKS AND BALANCES IN UNIONS

We Americans have to relearn self-reliance. Yes, too, we have to relearn constitutional principles.

When our fathers formed this Federal Union, they created a government of checks and balances under the Constitution. They recognized that power in the hands of human beings becomes tyrannical—that no man or group could be trusted with absolute power. That's why they created this, a government of checks and balances, of separation, not centralization of power.

Let's apply that in Congress today. It is the general conclusion in Congress that the wrong conduct of certain labor leaders, in infringing upon the rights of the members of unions definitely calls for a revamping of the Taft-Hartley law.

Sound amendments should provide additional security for the laboring man himself—for his job, for his investment in union welfare funds, and for his right to secret ballot.

Why? So that he, himself, will have more to do and to say in relation to his own union. And so, that he and his family will, by sound checks and balances within unions, be fully protected against any possible abuse of power.

We want tyranny nowhere—not on the home front, or on the foreign front.

When I went to Washington in 1939, Poland was free, Czechoslovakia, Bulgaria, Rumania, and all the Balkan and Baltic States were free. But now they are under the tyrannical hands of the Kremlin.

You and I know that freedom, political and economic, etc., calls for constant sacrifices by those who would preserve it.

Liberty has gone out the window in all these other countries that I have mentioned. It must not go out here.

As leaders, it is our business—yours and mine—to furnish direction and guidance and inspiration in these challenging times.

Then we will have that vision which will mean that the people and our way of life will not perish.

But I repeat, our big job, above all, is to maintain the peace.

THE MECHANICS OF ACHIEVING OUR GOALS

Now, let me discuss a bit of mechanics.

The decisions which you, the delegates at this convention have made and are making, are based upon what you feel to be in the best interests of our State and Nation and our party. Your present decisions and future decisions must be based on the facts—some of which I have previously mentioned.

But now, in the remaining few minutes, I am going to talk about our specific needs as a party.

And I am going to make one principal point: We need true teamwork, if our party is to win in November.

But, more important, teamwork is essential if America is to enjoy peace and prosperity.

PARTY'S RESPONSIBILITY FOR PROSPERITY

Why do I so stress teamwork? The answer is simple: Since we Wisconsinites have deep convictions, yes, often differing convictions on domestic and foreign issues, you and I know that the Republican Party might end up by warring against itself.

My hope is that we can avoid such internal warfare.

That does not mean that you and I should sacrifice our own principles. It does not mean that any one Republican in this convention hall, or outside, should be a rubberstamp of another.

But it does mean that we should try to work out in a spirit of mutual respect, cooperation, and understanding, a program which will serve the best interests of our State and country, and our party.

A PROGRAM FOR FUTURE COOPERATION

What, then, should be our program for cooperation?

What should be a program that would avoid the internal disputes with which you and I are familiar?

I am not going to rake over the coals the old sores of those past disputes. I say, let the dead past bury its dead. I say, let us work with teamwork, so that in the future, there will be as much harmony as possible.

Let us remember that the Republican Party is a people's party, a party of, by, and for the people.

You and I know that there is no place in it for czars or czarinas. There is room in it for the conservative and the liberal, for the independent, but certainly, not the Communist.

Let me suggest a few points in a plan for State teamwork:

1. The Republican Party of Wisconsin must be unalterably committed to faith and confidence in our State, and in America's future, as the leading land of freedom and opportunity.

We know that, right in our own neighborhood, there are enormous unfilled demands for new appliances, for new homes, for schools, for playgrounds, for roads, for hundreds of other types of comforts and conveniences. All this means an expanding economy for Wisconsin.

The Republican Party knows that our farmers need more income. But it knows, too, that we have had a far more successful record under the Eisenhower administration than our farmers were able to achieve under previous administrations.

2. Awareness of our responsibilities abroad.

Just as teamwork can win for America at home, teamwork can win for America abroad.

Again, this does not mean that we should be the rubberstamp of our allies, any more than we want them to be our rubberstamp.

We have honest differences with our friends. Let those differences be voiced. But let there be no recrimination, not against France which is, as you know, in the midst

of a historic crisis, nor against other lands. No, let there be a maximum of harmony among friends, especially as it is in the interest of international security against communism.

3. Pride in our State government at Madison.

Let there be teamwork between the Federal Government and the State here at home.

I say that there has been fine teamwork between Washington and Madison in these past years.

I can tell you of a dozen instances where our hard-working, able Gov. Vern Thomson has worked hand in hand with your public servants in Washington.

Vern Thomson is a battler for Wisconsin, and he is respected throughout our State and in Washington for his devotion to the public interest.

The Eisenhower administration wants strong State governments; it does not want to deprive State governments of their responsibilities and rights.

Vern Thomson has acted time and again to work out with Washington problems which can and should be solved at the State level. At the same time, he has not hesitated to point up those areas in which the Federal Government must take action to help the States.

A great Republican, Abraham Lincoln, you remember, said it is the business of Government to do for the people what they cannot do for themselves.

THINKING ANEW AND ACTING ANEW

I have not attempted (in these few brief moments) to do a thorough analysis of the problems facing us.

But, I have tried to get across, as I see them, some of the facts of life today—the new facts.

Ever since 1939, it has been my privilege to serve you, the people of Wisconsin in the Senate.

During those years, the world has changed. The problems facing the Republican Party have changed.

The first Republican President, whom I have quoted to you before, Abraham Lincoln, stated, "As our cause is new, we must think anew and act anew."

Let me paraphrase that statement, "A changed and diminishing world calls for new vision. Without vision the people perish."

Cities like Milwaukee face new problems. Wisconsin faces new problems. Old, moth-eaten formulas will not work.

To meet these new problems, the very least we can do is try to work together as a team.

CENTRIPETAL AND CENTRIFUGAL FORCES IN PARTY

Within a party, there are always what you might call centripetal and centrifugal forces at work.

There are forces which would tear us apart, and there are forces which unite us.

Let us see if we can practice the wise admonition given to us in the holy scripture, "Behold how good it is for brethren to dwell in unity."

The Republican Party faces a great challenge, and a great opportunity. There is no good reason under the sun why we should not continue our worthy Republican administration in Madison.

There is no good reason why we should not have an overwhelmingly Republican State legislature once again.

There is no good reason why we cannot strengthen our position in the United States Congress.

But, to do so, we must try to narrow our areas of internal disagreement and widen our areas of agreement.

CONCLUSIONS

I am sure we can agree on the following:
1. The leadership of the Western World is in our hands. Yes; the safety of the

world can be said to be in our hands. We must see to it that a third world war doesn't happen. If it should it could obliterate mankind.

So to be true to ourselves, we must play our part well. We cannot withdraw into our shells. We have no choice, we must lead adequately to preserve ourselves and civilization.

2. We must keep our own house in order. Every American's first loyalty is to the Nation, whether he be an industrialist, farmer, professional man or labor-union member.

3. Both strong labor unions and corporations are a part of our industrial life. Each is a creature of the law and should be held to a strict accountability to the law for its actions. No individual or group is above the law.

4. This is a new era and the menace of Communist imperialism stalks across the world's stage. We must remain constantly aware and alert to this evil and make sure that our military deterrent power is in fact a real and effective deterrent against war.

5. With the world shrunken as it has been by man's ingenuity, and with the ferment of peoples in the underdeveloped world reaching up for higher standards of living, and more political freedom, the penetrating influence of the Kremlin marches on.

The Kremlin would try to isolate us from what President Eisenhower calls the vast reserves of human energy and resources that are opening up throughout the Asian and African continents.

We must not permit the Kremlin to take over the one-third of the world in Asia, Africa, and the Middle East.

This then is my theme today. Let us unite and strive for peace, for sound political and economic government.

In my opinion, the United States of America and the Republican Party do not have the option as to whether this Government or this party will play a great part in the world. In this age, both must play a great part.

The party of Lincoln can be true to itself—true to the great cause of freedom and justice—only if it is awake to the realities of the facts of life today and if it meets head-on the challenges of our age.

Heptachlor Best for Grasshoppers

EXTENSION OF REMARKS

OF

HON. PHIL WEAVER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1958

Mr. WEAVER. Mr. Speaker, for the second consecutive year the First Congressional District of Nebraska is being invaded by grasshoppers, which, if unchecked, will do millions of dollars of damage to our fine crops.

The University of Nebraska and the United States Department of Agriculture have issued stern warnings to farmers in Nebraska pointing out that the infestations in Kansas and Colorado will soon spread into Nebraska and even South Dakota. Latest estimates place over 12 million acres infested in eastern Colorado and at least that many more in Kansas. Untold millions of dollars of damage has already been done in those States.

The district which I represent includes the lower two tiers of counties extending from the Missouri River on the east to

the Colorado border on the west. These counties are under immediate danger of attack.

HEPTACHLOR SAFE AND SURE

Unlike the thirties when we had to stand by helplessly as the grasshoppers stripped our fields clean, we now have a potent insecticide which can be successfully and safely used in combating this age-old menace.

This chemical is Heptachlor, and it has been used successfully for many years, since shortly after World War II when it was discovered. It has a long-lasting kill and when used as directed—2 ounces per acre—the farmers do not need worry about contaminating the meat and milk of animals which eat the treated crops.

Some of the chemicals which are used present added problems to the farmers. It means that our farmers cannot harvest or pasture the treated crops for 2, 3, or 4 weeks because the chemical will taint the milk and meat, contaminating it and subjecting it to seizure by the Federal Food and Drug Administration as adulterated.

Heptachlor is offered under many different brand names and is available through leading chemical companies at local feed and seed stores.

The cost of treating an acre is very nominal. Twenty pounds of actual Heptachlor will treat 180 acres, protecting the crops from damage due to grasshoppers.

As one of my colleagues on the Agriculture Committee said upon learning of the extensive damage expected from the grasshoppers, "A farmer cannot afford not to treat his crops with Heptachlor."

BULLETINS AVAILABLE

If the grasshoppers are not stopped, it will mean millions of dollars of damage to crops in Nebraska alone. Truly the farmer cannot afford another bite out of his small profits. The cost-price squeeze is already too tight.

More information on grasshoppers and their control is available in Farmer's Bulletin No. F 2064, entitled "Grasshoppers, a New Look at an Ancient Enemy." This bulletin is available through my office, and I will be happy to send a copy to anyone who requests it. My address is Representative PHIL WEAVER, House Office Building, Washington 25, D. C.

A New Sports Bill

EXTENSION OF REMARKS

OF

HON. KENNETH B. KEATING

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, May 29, 1958

Mr. KEATING. Mr. Speaker, in concert with the gentleman from Pennsylvania [Mr. WALTER], the gentleman from New York [Mr. MILLER], and the gentleman from Arkansas [Mr. HARRIS], I have today introduced a new bill to declare the inapplicability of the antitrust laws to the playing practices of professional football, baseball, basketball, and hockey.

We plan to offer this bill as a substitute to the measure introduced by the gentleman from New York [Mr. Celler] when it comes before the House for consideration. We have invited all Members of this body to give their support to this measure in the forthcoming debate on sports legislation.

These identical bills provide for the exemption of the sports practices of organized professional baseball, football, hockey, and basketball from the antitrust laws. Under present court decisions, baseball has been granted complete exemption from the antitrust laws while the other sports have been denied even a partial exemption. It is our firm view that enactment of the legislation we have today introduced is essential to eliminate the discriminatory treatment of these sports and to protect them all from potentially ruinous antitrust litigation.

Our bill exempts from the antitrust laws sports practices which relate to first, the equalization of competitive playing strengths; second, the employment, selection or eligibility of players, or the reservation, selection or assignment of player contracts; third, the right to operate within specified geographic areas; fourth, the regulation of rights to broadcast and telecast reports and pictures of sports contests; and fifth, the preservation of public confidence in the honesty in sports contests.

On the other hand, commercial practices of all these sports, such as the rental or operation of concessions and the sale and purchase of stadiums would be subject to the antitrust laws. In addition, the important right of the players to join together to protect their mutual interests through players' associations is fully protected.

We have been assured that this bill has the approval of both baseball and football. We know from the testimony at the hearings before the House antitrust subcommittee that it also is in accord

with the position of professional hockey and basketball. We are very glad that all sports have now been able to join together on a measure of such importance to them.

The new bill will be offered as a substitute for H. R. 10378 when it is considered on the floor of the House. In our view H. R. 10378 in its present form does not afford any sport any relief from its present antitrust vulnerability. On the contrary, under H. R. 10378 the sports practices of professional baseball, as well as football, hockey, and basketball would be judged by antitrust standards. We reject this approach because we are firmly convinced that organized professional team sports are unique and cannot be treated the same under the antitrust laws as other business enterprises.

Legislation should be clear and definite if it is to be effective. The language of H. R. 10378 is unclear and indefinite, which means that it would be up to the courts to determine its significance. This is undesirable in any legislation and in this case the litigation spectacle which would result could have disastrous consequences for our national sports. The Supreme Court itself has clearly indicated that these problems should be resolved by legislation rather than court decision.

The bill we have today introduced plainly demarks the area of antitrust exemption for the activities of our sports enterprises. It gives more than lip service to the fact that sports are unique. It fully reflects the view that the policy decisions of baseball, football, hockey, and basketball should be made by the people who know and understand these sports—the owners, the players, and the fans. And it unequivocally rejects the view that such decisions should be arbitrated by Federal judges and juries who may have no special knowledge of or interest in the problems of the game.

We know that there will be no partisan dispute in the Congress over our national

pastimes. In a letter to Members of the House we have invited general support of our bill. We are confident that it will meet with the overwhelming approval of all friends of our national team sports.

A copy of the proposed substitute follows:

A bill to declare the inapplicability of the antitrust laws to certain aspects of designated professional team sports, and for other purposes

Be it enacted, etc., That the act of July 2, 1890, as amended (26 Stat. 209); the act of October 15, 1914, as amended (38 Stat. 730); and the Federal Trade Commission Act, as amended (38 Stat. 717) shall not apply to any contract, agreement, rule, course of conduct, or other activity by, between or among persons conducting, engaging in or participating in the organized professional team sports of baseball, football, basketball, and hockey which relates to—

(1) the equalization of competitive playing strengths;

(2) the employment, selection or eligibility of players, or the reservation, selection or assignment of player contracts;

(3) the right to operate within specified geographic areas;

(4) the regulation of rights to broadcast and telecast reports and pictures of sports contests; or

(5) the preservation of public confidence in the honesty in sports contests.

Sec. 2. As used in this act, "persons" means any individual, partnership, corporation, or unincorporated association or any combination or association thereof.

Sec. 3. Nothing in this act shall affect any cause of action existing on the effective date hereof in respect to the organized professional team sports of baseball, football, basketball, or hockey.

Sec. 4. Nothing in this act shall be construed to deprive any players in the organized professional team sports of baseball, football, basketball or hockey of any right to bargain collectively, or to engage in other associated activities for their mutual aid or protection.

Sec. 5. Except as provided in section 1 of this act, nothing contained in this act shall affect the applicability of the antitrust laws to the organized professional team sports of baseball, football, basketball, or hockey.

SENATE

MONDAY, JUNE 2, 1958

Rev. Melville D. Nesbit, Jr., pastor, Clarendon Presbyterian Church, Arlington, Va., offered the following prayer:

O Thou Almighty God, who makest thyself known in the stillness, and who hearest the cry of every sincere heart, be present in our midst this day, opening to us the majesty of Thy person, convincing us of Thy will, guiding our minds and our hands to fulfill Thy purposes.

Make us to remember the vastness of Thy overarching power, the needs of our brethren worldwide, the high privilege and responsibility that are ours, as elected instruments of Thyne and representatives of the people.

Bless, we pray Thee, each Senator, the State and constituency thus represented. Grant the guidance of Thy Holy Spirit to each one, that he may serve the cause and welfare of the whole people. In our deliberations, keep us from the petty, the

vindictive, the sectional. Lead, even through us, this our native land. We ask it in Thy name, who rulest supreme over this life and the life to come. Amen.

THE JOURNAL

On request of Mr. GORE, and by unanimous consent, the reading of the Journal of the proceedings of Thursday, May 29, 1958, was dispensed with.

LIMITATION OF DEBATE DURING MORNING HOUR

Mr. GORE. Mr. President, under the rule, there will be the usual morning hour for the introduction of bills and the transaction of other routine business. I ask unanimous consent that statements in connection therewith be limited to 3 minutes.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE COMMUNICATIONS, ETC.

The PRESIDENT pro tempore laid before the Senate the following letters, which were referred as indicated:

REPORT ON WORKING CAPITAL FUNDS, DEPARTMENT OF DEFENSE

A letter from the Secretary of Defense, transmitting, pursuant to law, a report on the working capital funds of that Department, dated June 30, 1957 (with an accompanying report); to the Committee on Armed Services.

EXTENSION OF PERIOD IN WHICH CERTAIN OFFICERS MUST BE RETIRED OR SEPARATED

A letter from the Deputy Secretary of Defense, transmitting a draft of proposed legislation to extend the period in which warrant officers who have twice failed of selection for promotion, must be retired or separated (with an accompanying paper); to the Committee on Armed Services.

AMENDMENT OF MOTOR VEHICLE SAFETY RESPONSIBILITY ACT OF DISTRICT OF COLUMBIA

A letter from the President, Board of Commissioners, District of Columbia, transmitting a draft of proposed legislation to